Daily Report

Central Eurasia

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FBIS-SOV-95-112 *12 June 1995*

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ITAR-TASS Carries Press Review for 10 Jun

LD1006062795 Moscow ITAR-TASS in English 0602 GMT 10 Jun 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW June 10 Itar-Tass — President Boris Yeltsin is convinced that the danger of a new revolution and its dreadful consequences has passed in Russia. "Russia, despite difficulties and mistakes, is steadily plodding ahead towards a democratic way, developing market relations," the Russian leader said in an interview with the IZVESTIYA newspaper in its today's issue.

The interview is published on the occasion of Independence Day to be marked on June 12 and the fourth anniversary of electing Yeltsin Russia's first president. It can be safely said after the past five years of market changes in Russia that reforms went their own, Russian way, the president claimed.

"The time has come for an economic upsurge. We now brace for a breakthrough into world markets as an independent and strong partner confident of its future," the president stressed in the interview.

Most Russian leading dailies devote articles to the coming Russian holiday in their Saturday's issues. The ROSSIYSKAYA GAZETA headlines such an article contributed by the Russian president's analytical centre with a meaningful title "It dawns over the country".

The article notes that the past five years since the adoption of the Declaration off State Sovereignty of the Russian Federation led to developing a new political reality in the country.

In the newspaper's opinion, "the present situation in Russia, despite great difficulties, infuses confidence: the industrial slump can be checked, inflation bridled and social tension eased".

The same newspaper prints a viewpoint by politologist Emil Pain, member of the Presidential Council, in a series of materials under the heading "Between past and future". The politologist claims that "the collapse of the Soviet Union happened prior to Belovezhye (Belovezhye is the Belovezhskaya Forest in Belarus where the presidents of Russia, Belarus and Ukraine met and proclaimed that the Soviet Union was non-existent any more).

Other newspapers express differing opinions on Russia's Independence Day. The opposition SOVETSKAYA ROSSIYA newspaper starts its front-page article by Professor Anatoliy Tille devoted to the holiday with the following phrase: "I do not know what is more in the institution of this 'holiday' — idiocy or hypocricy.

"Nobody can reply to the following question: from whom Russia became independent?" Carrying an article by Ramazan Abdulatipov, deputy speaker of the Russian parliament upper chamber, the Trud newspaper notes that "Russia's sovereignty is 1,000 years old and not five years, as some people believe".

The author of the article ends it with the following words: "What we should do now is not to celebrate sovereignty but to restore it with our every-day work for the good of the Homeland".

The RABOCHAYA TRIBUNA newspaper notes in this connection: "Independence, sovereignty, President — we have already all this. What should be done now is to enthuse essence in these notions, which will make Russians be proud of Russia".

Touching on the understandings reached in Sochi on Friday between Russia and Ukraine on the division of the Black Sea Fleet, newspapers restrict themselves to brief information without risking comments on this event.

The adoption of the Bill on Parliamentary Elections by the State Duma (Russian parliament lower chamber) is another important topic of Saturday issues.

In this connection, the Pravda newspaper carries an opinion by O. Mironov, D. Sc. (Law), who believes it expedient to adopt a decision on interpreting articles and some provisions of the new election bill.

However, not a single newspaper gives a forecast whether the president will sign this time the bill approved by the State Duma.

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Further on Agreement Over Black Sea Fleet

Yeltsin, Kuchma Sign Agreement

MM1206092095 Moscow KOMSOMOLSKAYA PRAVDA in Russian 10 Jun 95 p 1

[Report by Gennadiy Bochkarev under the rubric "What They Say and What They Leave Unsaid": "Problem of Black Sea Fleet Resolved"]

[FBIS Translated Text] The meeting between Russian President Boris Yeltsin and Ukrainian President Leonid Kuchma took place at the Radisson Lazurnaya hotel in Sochi yesterday.

The day before Leonid Kuchma paid a purely social visit to Boris Yeltsin's dacha in Sochi. It is said that Yeltsin and Kuchma "had a good talk" over dinner.

Nearer to lunch time on Friday journalists were instructed to go to the Bosfor ballroom where the two presidents were about to sign the agreement. However, the departure of Yeltsin and Kuchma was delayed. They were sitting on a bench by the swimming pool.

Then the two states' ministers went to the pool in question. At 1420 Yeltsin and Kuchma announced to journalists that they had resolved the question of the Black Sea Fleet. The two presidents stressed the governments still have to work out a few details. But the main thing is that the Black Sea Fleet has been divided in the interests of Russia and Ukraine. In the presence of the journalists the Russian and Ukrainian presidents embraced heartily, drank a glass of champagne, and said that henceforth they will meet regularly: once a month.

"That's that!" Boris Nikolayevich said.

'Text' of Black Sea Fleet Agreement

MM0906184195 Moscow PRAVDA in Russian 10 Jun 95 p 2

["Text" of the "Agreement Between the Russian Federation and Ukraine on the Black Sea Fleet"]

[FBIS Translated Text] The Russian Federation and Ukraine, hereafter known as the "Sides," fully resolved to strengthen friendship and cooperation between the Russian Federation and Ukraine, note the coincidence of the two states' interests in the Black Sea basin and, based on Russian-Ukrainian documents signed previously in this sphere, have agreed on the following:

Article 1. The Russian Federation Black Sea Fleet and the Ukrainian Navy are to be formed on the basis of the Black Sea Fleet. The Russian Federation Black Sea Fleet and the Ukrainian Navy are to be based separately.

Article 2. The main base of the Russian Federation Black Sea Fleet together with the headquarters of the Russian Federation Black Sea Fleet are to be in the city of Sevastopol.

The Russian Federation Black Sea Fleet will use installations of the Black Sea Fleet in the city of Sevastopol and will also use other basing and deployment locations for ships, aviation, shore-based troops, and operational, combat, technical, and rear support installations in Crimea.

Article 3. The Sides' governments will settle questions pertaining to the property of Black Sea Fleet and will sign a separate agreement on that matter, mindful of the previous accord on the division of the aforementioned property on a 50/50 basis.

Article 4. The Russian Federation is to receive 81.7 percent of the ships and vessels of the Black Sea Fleet, Ukraine — 18.3 percent.

Article 5. When dividing up the armaments, military hardware, and support facilities of the shore-based defense forces, marines, and land-based naval aviation of the Black Sea Fleet the Sides will work from the situation existing as at 3 August 1992.

Article 6. If one side is interested in using installations which under the terms of this Agreement are designated for the use of the other side, questions will be resolved by the conclusion of special agreements in each specific instance.

Article 7. Each officer, warrant officer, and petty officer of the Black Sea Fleet has the right to freely determine his future service.

Article 8. The Russian Federation will participate in developing the socioeconomic sphere of Sevastopol and other population centers where the Russian Federation Black Sea Fleet is to be based.

Article 9. To preserve stability in the Black Sea region and ensure safety at sea, the sides will pool their efforts in interaction and cooperation in the naval sphere. The organization of and procedure for cooperation in this sphere will be determined by the Agreement on Cooperation between the Russian Federation Fleet and the Ukrainian Navy.

Article 10. The sides will continue the talks on the Black Sea Fleet and, in particular, the elaboration of the legal status and conditions governing the presence of the Russian Federation Black Sea Fleet on Ukrainian territory, the procedure for mutual settlements connected with the resolution of the problem of Black Sea Fleet, and other questions.

Article 11. A Russian-Ukrainian Joint Commission consisting of the state delegations of the Russian Federation

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and Ukraine at the talks on the Black Sea Fleet is to be formed to minitor the fulfillment of the accords on the Black Sea Fleet.

The Commission is instructed to draw up specific parameters for the division of Black Sea Fleet installations.

Yeltsin Adviser: Agreement Not 'Ideal'

LD0906180095 Moscow INTERFAX in English 1724 GMT 9 Jun 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] SOCHI, June 9 (INTERFAX) — The Russian president's advisor on national security, Yuriy Baturin, has said he does not consider the Russian-Ukrainian agreement on the Black Sea Fleet as "ideal."

However, he told an INTERFAX correspondent in Sochi that he believes that the agreement has "rich potential opportunities for resolving the Black Sea Fleet issue."

Baturin said that many diplomatic concessions were made at the talks "without which given the time shortage the agreement would not have been achieved." "We have been trying to resolve the problem for three years already. Will another three years be needed?" he went on to say.

Baturin said that "if large steps cannot be made smaller ones should be made more often." He said that is why the presidents, the prime ministers, their advisors and ministers have decided to meet quite frequently. He said this means that Russian-Ukrainian contacts have been intensified.

Baturin said the agreement for the first time mentions that the interests of Russia and Ukraine in the Black Sea's basin coincide. He said this wording is very important and it means even more than the term "strategic partnership" which was also introduced into Russian-Ukrainian relations for the first time.

Baturin said that the presidents agreed on the site for the Ukrainian navy's headquarters while the decision was not fixed in the document. He said it would be inappropriate for a sovereign Ukraine to fix the stationing of its navy's headquarters in a bilateral agreement.

Duma Committee Chairman Quoted

LD0906210595 Moscow NTV in Russian 2000 GMT 9 Jun 95

[Report over video by announcer Vladimir Kara-Murza with recorded comments by Konstantin Zatulin, chairman of the State Duma Committee for CIS Affairs]

[FBIS Translated Excerpt] Before the morning meeting of the two presidents in the Radisson-Lazurnaya hotel, reports from both leaders' teams were far from optimistic. [passage omitted]

[Zatulin] Before the start of these negotiations, one had the impression that they had failed before they started. More than likely, everything that the presidents have achieved in Sochi is pretending that they have agreed. Then experts, the military, parliaments and deputies, public opinion, press and the television will become involved, and everyone will see that the king has no clothes. [passage omitted: announcer gives roundup of meeting; Yeltsin shown speaking on the importance of the strategic partnership]

[Zatulin] The president did not deem it necessary to inform us in earnest about what he wanted to achieve. We had asked him about it, wrote him a letter on 23 March, but received no answer. So, as for the Russian State Duma, we will wait, we have a lot of patience. These documents will not become law anyway unless they are ratified here in the Duma and by the Federation Council. Neither here nor in the Ukraine. So, whatever and wherever anything is signed, it will all end up here. Here, in the State Duma, we will consider it according to the international norms. [passage omitted]

Black Sea Fleet Commander Cited

MM1206084795 Moscow PRAVDA in Russian 10 Jun 95 pp 1, 2

[Report by Nikolay Musiyenko: "Shrinking"]

[FBIS Translated Text] Here are some facts reported by Admiral Eduard Baltin, commander of the Black Sea Fleet, on the eve of the Sochi meeting between the two presidents. The fleet's personnel is one-third the size it was under the USSR. Ukraine has already taken or rather "piratized" 126 ships while the Russian executive said nothing and sometimes even connived. The fleet has finally lost the entire northwestern region of the Black Sea area from Izmail to Ochakov. The most interesting thing is that the piece of land gobbled up by the Ukrainian extremist politicians is of no use to their state. The admiral claims that "at the moment the Ukrainian Navy does not have a single combat-capable ship and Ukraine is seeking to obtain something that it

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cannot maintain." Most of the Black Sea Fleet's ships on which the "yellow and blue" flag have been hoisted have either been sold off, scrapped, or face that fate.

I would add that the fate of the former Black Sea Fleet shore-based installations is no better. For example, the Nakhimov College in Sevastopol is eking out a truly sorry existence and the territory of the military unit in Ochakov has been completely neglected...

What position has Moscow taken at the talks on the Black Sea Fleet? First, Sevastopol is to remain the Russian Black Sea Fleet's main base and its ships will be based in Karantinaya, Yuzhnaya, Sevastopolskaya, and Streletskaya bays. Second, two military airfields in the vicinity of the city and a number of communications facilities are to be assigned to Russia. As for the Crimean naval base in Donuzlav [Krasnoyarskoye] it has already effectively been decided to surrender it — it is proposed that the Ukrainian Navy's main base be stationed there.

But even this option, which is highly damaging to Russia and is somewhat reminiscent of the Port Arthur tragedy [in which Russia, having lost the war with Japan in 1905, surrendered its lease to Port Arthur, Manchuria, from where Japan launched its attack on China in the 1930s] did not suit the Ukrainian side — it would prefer to leave the Black Sea Fleet with only a few moorings in Sevastopolskaya and Yuzhnaya bays...

Article Terms Deal 'Sellout'

MK1006105095 Moscow SEGODNYA in Russian 10 Jun 95 p 1

[Report by Mikhail Leontyev: "Needless Fuss"]

[FBIS Translated Text] The themes of the Russian president's meeting with his Ukrainian counterpart, which is taking place right on the eve of Russian Independence Day, are bound up in the firmest possible fashion with this remarkable holiday. Some time ago, Yevgeniy Saburov, then still a Russian deputy prime minister, quipped that he did not quite understand the meaning of the RSFSR's seceding from Russia. And while at that moment the average Russian did not fully get the Belovezhskaya Forest joke, now its humor has reached even its authors. Not all of them, though.

On 12 June 1990 Russia, indeed, proclaimed its independence. Ultimately, for the first time in their history, the Russians got an opportunity to create their own national state, without being obliged to cement a parasitic empire with their sweat and blood. The parasitic nature of previous Russian geopolitical ambitions has been revealed fairly clearly during the four years of independence. But the most significant political circumstance, marring the joy of liberation from "the Ukrainian-Uzbek occupiers," has been the fact that the architects of Russian independence essentially were not Russian nationalists or isolationists at all, and, moreover, never invented anything like it around themselves.

The current Russian political leadership curiously combines the fully forgivable civilized imperialism with the — also fully forgivable — attitude of pro-Western compradors. This is precisely the crux of their policy that helps them ignore a crucial fact, namely that they have made the Russians (not so much necessarily ethnic Russians, but, rather, those culturally Russian) a divided nation and think that this situation may comfortably remain unchanged. Russian foreign policy is characterized by a deliberate, strategic forgetfulness, as it were, of the interests of all compatriots belonging to Russian culture, coupled with an energetic commitment to the idea of maintaining its own jurisdiction on a territory technically designated to the Kremlin bosses.

There is no Black Sea Fleet problem, and this is plainly evident to any Russian citizen in his right mind. There is a problem of Russian Crimea, Russian areas of northern Kazakhstan, and Russian-culture Belarus, which has been simply shooed out Russia's door like a mischief-making schoolboy.

We may agree as much as we please on God knows what with Mr. Kuchma, a Ukrainian president independent of any obligations whatsoever, just as some time ago we agreed with the just as independent Mr. Kravchuk, who was the first to justify the pioneering initiative of stealing gas from transit pipelines. We are dividing a Russian fleet with people who will turn all the ships they receive into highly liquid scrap metal the instant they get them. And all this is being done with Russia's consent, by the hands of Russian bureaucrats, on Russian soil. If this is not a sellout, then probably it is simply a mass disease that has not yet been studied by medicine and that can spread via bureaucratic correspondence circulating between offices.

Let us stop pulling the wool over each other's eyes: There is no problem of splitting anything either with Mr. Kuchma or with the Ukrainian voter, who elected him as an ostensibly pro-Russian politician. What there is are office intrigues, Kremlin-American political games, and private interests of certain persons whose names are well known. The problem of splitting the fleet is a sham. As [novelist Mikhail] Bulgakov wrote: "Devastation is not in toilets, but in people's heads."

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Kozyrev: Yeltsin To Visit Kiev in 'Near Future'

LD1006141095 Moscow ITAR-TASS World Service in Russian 1150 GMT 10 Jun 95

[By ITAR-TASS special correspondent Oleg Velichko and Andrey Shtorkh]

[FBIS Translated Text] Sochi, 10 Jun — The successful solution to the problem of the Black Sea Fleet reached at the Russian-Ukrainian summit yesterday opens the way for Boris Yeltsin to pay a state visit to Kiev in the near future. Russian Foreign Minister Andrey Kozyrev, who took part in the summit as a member of the Russian delegation, said this in an exclusive interview with the ITAR-TASS special correspondent.

Kozyrev spoke highly of the results of the Russian-Ukrainian talks held yesterday. In his words, the sides have managed to discuss a wide range of issues connected with the future of the Black Sea Fleet and the prospects of bilateral relations. The statement issued by the two presidents on the establishment of a strategic partnership between Russia and Ukraine is extremely important, Kozyrev stressed.

The head of the Russian Foreign Ministry believes that with the Black Sea Fleet problem having been solved, "all the prerequisites now exist for Boris Yeltsin to pay a state visit to Ukraine and sign a large-scale bilateral friendship and cooperation treaty."

The Russian president's state visit to Ukraine was postponed more than once because the parties were not prepared to sign the treaty on friendship and good-neighborliness, in particular as a result of the fact that the fate of the Black Sea Fleet had not been resolved.

The Russian foreign minister said that no specific date for Boris Yeltsin's visit to Kiev was discussed at yesterday's talks. Nonetheless, he thinks that the visit will take place in the near future, and for this purpose "a window must be found in the president's travelling schedule." It is already known that in a week the president will go to the Canadian town of Halifax to take part in the G-7 summit. The next working meeting between the Russian and Ukrainian presidents will take place in Crimea in a month, as was specified yesterday in Sochi by both leaders. What is more, an ITAR-TASS correspondent learned from well-informed sources in the Russian president's administration that at the end of June Yeltsin will make a working visit to the Far East (it is assumed to Khabarovsk), where he may hold a conference with the heads of administration of the Far East region and discuss cleanup operations following the Sakhalin earthquake. It follows that the president will be traveling a lot in the near future, and a state visit to Ukraine cannot take place earlier than mid-July.

Kozyrev, New Co-Chair on Bosnia Settlement Meet

Kozyrev Cited on 'Important Role'

LD1006154095 Moscow ITAR-TASS in English 1527 GMT 10 GMT 95

[By Oleg Velichko and Andrey Shtorkh]

[FBIS Transcribed Text] SOCHI, June 10 (ITAR-TASS) — Russian Foreign Minister Andrey Kozyrev will meet Carl Bildt, a new co-chairman of the coordinating committee of the international conference for the former Yugoslavia, on Saturday [10 June] to discuss ways to settle the Bosnian conflict and Russia's role in the peace process.

In an exclusive interview with ITAR-TASS on Saturday, Kozyrev said "the fact that Carl Bildt who begins work on his new post has chosen Russia as the first destination in his foreign tour underscores the important role played by Russia in the Bosnian conflict settlement."

The Russian minister said the talks with former Swedish Prime Minister Carl Bildt who will replace Lord David Owen as an international mediator in the former Yugoslavia will focus on two major topics. First, "the details of the talks between the international Contact Group and Serbian President Slobodan Milosevic on the lifting of sanctions on Yugoslavia in response to Milosevic's further steps to support the peace plan and peace settlement in Bosnia."

Second, the search for ways to stop hostilities in Bosnia and for means to influence the Croats and Moslems, he said.

Next week, Bildt will have talks with the foreign ministers of the European Union and the United States. He will also meet U.N. Secretary-General Butrus-Butrus Ghali. After that Bildt plans to visit the conflict area for talks representatives of the warring sides.

Bildt, Kozyrev Meeting Described

LD1006203495 Moscow ITAR-TASS World Service in Russian 1940 GMT 10 Jun 95

[By Oleg Velichko, Andrey Shtorkh, Irina Shchegoleva]

[FBIS Translated Excerpt] Sochi, 10 June (ITAR-TASS) — "The most important thing at the current stage of the Contact Group's work to find a settlement in the former Yugoslavia is impartiality and in this connection I am very pleased with the appointment of Carl Bildt as cochairman of the international conference for a settlement in the former Yugoslavia," Russian Foreign Minister Andrey Kozyrev told journalists. He held a working meeting here this evening with the

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new cochairman of the international conference on the former Yugoslavia, former Swedish Prime Minister Carl Bildt.

Answering a question from an ITAR-TASS correspondent, Andrey Kozyrev said that the current situation in the former Yugoslavia is very difficult and that every political and diplomatic skill would be needed to set things going again. In this context, unity within the Contact Group and the participation in it of representatives of the European union is very important. "The fact that the European Union has elected precisely Carl Bildt is a very good sign in my view," the Russian Foreign Minister said. [passage omitted]

Response to NATO Balkans 'Intervention' Decried

MM1206083895 Moscow ROSSIYSKIYE VESTI in Russian 10 Jun 95 p 2

[Article by Feliks Babitskiy: "Mandate for Arms"]

[FBIS Translated Text] The NATO leadership has decided to provide military cover for UN peacekeeping operations or, to put it bluntly, to begin wide-ranging intervention in the Balkans. By what right is NATO forcing the United Nations to retrospectively give it a mandate for saber-rattling? And why is no one consulting us on this matter? People say that Kozyrev will nonetheless jump to attention. During his visit to London he even made it plain that Russia will not use its right of veto in the Security Council. To no avail. If only they would remember that we are still alive.

Our diplomats' lack of determination is being successfully compensated for by our military men's surfeit of that quality. This is the first time that Dudayev's confederates have begun to speak of their inability to curb a future offensive by them. The deeper they go into the mountains, the more hard-line Russian leaders become. During his press conference in Krasnodar Wednesday [7 June] Viktor Chernomyrdin said that a revolt against Russian unity is taking place in Chechnya and must be put down by military force.

Our petty wars are increasingly akin to bandit feuding. There are also signs of the opposite. On Thursday in Moscow's Cheremushki a militiaman died heroically and another two were wounded in an attempt to seize from the chekists (or blow away) a "mobster" whom the latter had just captured. A member of the FSB [Federal Security Service] squad was also wounded, and a militia station wagon and the Ford patrol car that rammed it also suffered considerable damage. There is no need to comment.

"All the people of Sakhalin who have lost their homes," Sergey Shoygu, the Russian Federation minister for emergency situations, said, "will be issued with personal certificates enabling them to obtain housing anywhere they choose in Russia." However, owing to the decomposing corpses Sakhalin runs the risk of epidemics like Chechnya (for the same reason). Hospitals are being urgently converted.

The meeting between the Russian and Ukrainian presidents is due to open in Sochi. The main issue at the talks will of course be the division of the Black Sea Fleet. It is hard to count on its being resolved immediately. Nonetheless we wish the presidents good luck. No matter how big the fleet, we and Ukraine are in the same boat. We do not want it to capsize.

NATO Chief on Plans for Closer Ties With Russia

LD1006124495 Moscow ITAR-TASS in English 1211 GMT 10 Jun 95

[By Aleksandr Mineyev]

[FBIS Transcribed Text] BRUSSELS, June 10 (ITAR-TASS) — Before Nato officials go on summer vacation Nato is expected to put forward an initiative to arrange a meeting with a plenipotentiary delegation from Russia to launch the fulfillment of resolutions on the beginning of a deep and broad dialogue with Russia, adopted in Nordvik last week. This was declared by Nato's secretary general Willy Claes at a news conference held in Friday upon completion of the session of defence ministers of 40 Nato states, the Council for North Atlantic cooperation and participants in the "Partnership for Peace" programme.

Claes believes that the programme for a deeper dialogue and cooperation with Russia should be worked out by the autumn session of the Nato council to be held at the foreign ministers' level.

"I have no grounds to believe that Russia is against such cooperation," Claes was quoted as saying. He dismissed speculations about the absence of the Russian defence minister Pavel Grachev at the latest Nato session. Claes reminded of the fact that the rank of the Russian ambassador Vitaliy Churkin, who was present at the session, is not inferior to that of the Russian defence minister Pavel Grachev.

The U.S. defence minister William Perry pointed out that he understands the importance of the Russo-Ukrainian summit in Sochi attended by Grachev. Although Russia has not confirmed yet its intention to send troops to take part in joint exercises scheduled in 1995 in the framework of the "Partnership for Peace" it is prepared to take part in search and rescue exercises in the Far East, Alaska and Hawaii to be held on a bilateral Russo-U.S.basis, Perry said.

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Another Nato diplomat said that the Nato alliance welcomes the cooperation between the "Partnership for peace" member-states not only on a multilateral basis or between a partner country and Nato member-state, but between partners as well, for instance, between former allies in the Warsaw treaty organization. In this aspect, an initiative put forward by Poland and Russia to hold joint exercises of their armies is of particular interest, the diplomat said.

Nato's defence ministers highly appreciated the fact that Russia had adopted a programme of contacts with Nato both in the framework of the partnership for peace programme and beyond.

Nato's officials paid much attention to the Bosnian crisis, Nato ministers expressed concern over the worsening of the Bosnian conflict and declared that they were prepared to prevent further expansion of the conflict and reach settlement at the negotiating table. They demanded an immediate and unconditional release of U.N. "blue helmets" held hostage by The Bosnian Serbs.

In general, participants supported the idea of reinforcing the U.N. peace-keeping contingent by the rapid deployment force. This support was voiced in statements, but not expressed in the final document since the rapid deployment force is created by separate states of the alliance rather than by Nato itself.

Claes expressed his personal opinion, welcoming a decision adopted by the Polish government to include its troops into the contingent, which was claimed yet by Great Britain, France and the Netherlands only. Nato and its partners reiterated that the withdrawal of the main peace-keepers from Bosnia can be regarded as a forced measure only, taken under extreme circumstances. Nato and its partners believe that the U.N. forces should remain in former Yugoslavia, Claes said.

Churkin Cited on NATO Expansion

LD0906202395 Moscow NTV in Russian 1800 GMT 9 Jun 95

[Video report by correspondent Vladimir Kondratyev, including recorded comments by Vitaliy Churkin, ambassador to Belgium and NATO]

[FBIS Translated Text] [Video shows the Brussels meeting, interview with Churkin] [Kondratyev] Although there has been no official reaction from NATO to Pavel Grachev's absence, this fact brings no joy here. Today, virtually all countries of the East, as well as Austria, Sweden, and Finland have been represented by their defense ministers. There are many Ukrainian journalists in the international press center, and just a few Russians. Even Grachev's Ukrainian colleague Valeriy Shmarov is here, having sent his deputy to talk with the Russians about the Black Sea Fleet. It is too important for the Ukrainians to be here. Having decided not to fall behind Russia, Ukraine also demands to be treated as an individual and is willing to be just a touch more equal than others.

Russia was represented at the NATO Partnership meeting in Brussels only by Vitaliy Churkin, its Brussels and NATO representative.

[Churkin] Yes, Russia has very deep concern and serious doubts over the prospects of the expansion of NATO. I would like to recall however, that NATO is also considering Russia as a possible member, so moreover one has to see... [pauses] We will wait and see. History is moving quickly now.

[Kondratyev] Although the timescale for the acceptance into NATO of the first group of countries still has not been finalized or announced, the clock is inevitably ticking in their favor.

Shumeyko, Finland's Halonen Discuss NATO, Ties

LD0906160895 Moscow ITAR-TASS in English 1356 GMT 9 Jun 95

[By Vladimir Mostovets]

[FBIS Transcribed Text] Helsinki, June 9 (ITAR-TASS) — Federation Council Chairman Vladimir Shumeyko, who is currently leading an official parliamentary delegation to Finland, met Finnish Foreign Minister Tarja Halonen today to discuss NATO's expansion and Russian-Finnish relations, Chief of the Federation Council Press Centre Yuriy Algunov told ITAR-TASS.

Shumeyko stressed Russia's increasing concern over the North-Atlantic Alliance's plans for eastward expansion. He said such a development would undermine Russia's security instead of strengthening it.

The stance of Russia's leadership on the issue is not subject to change — "we are against the expansion," Shumeyko said.

Speaking about the development of bilateral relations, the Federation Council chairman pointed to the important role that Finland has to play in Russia's foreign policy and trade. "If Russia is seen as a 'bridge' linking the West and the East, Finland is the 'gateway' to this bridge," Shumeyko said.

To this end, Shumeyko stressed the need to work out a mutual concept of future economic cooperation. Russia is interested in obtaining high technologies and modern equipment, he said.

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Halonen reiterated her country's posture on Finland's place in the system of European security. Finland was seeking to join the European Union and eventually did it, she said. However, it is not going to join the North-Atlantic Military Alliance, since it does not need any additional guarantees of its security, she said.

Meanwhile, The Finnish foreign minister positively assessed the NATO Partnership for peace programme which is in full accord with the interests of all European states.

The minister also emphasised that Finland was interested in Russia's accession to the Council of Europe and was ready to help Russia in it.

Political stability, further economic reforms in Russia will be the decisive factor, Halonen said.

Daily Mocks Manner of U.S. Pilot's Rescue

MM1206112095 Moscow IZVESTIYA in Russian 10 Jun 95 p 3

[Article by Vladimir Nadein: "How the United States Rescued Its Pilot"]

[FBIS Translated Text] Washington — It had taken Balkan ants and crickets, 40 U.S. Marines aboard two combat helicopters, an AWACS, a squadron of three Navy ships, three squadrons of fighter bombers, and President Clinton's hourly concern and unshakable self-possession to complete the Thursday morning rescue of the pilot of the F-16 fighter bomber downed over Bosnia 2 June.

With pistol in hand Scott O'Grady, a 29-year-old U.S. Air Force pilot, ran out of a coppice to meet his comrades in arms pouring out of helicopters. Three minutes later the helicopters once again shot into the air and negotiated the area on a nap-of-the-earth flight. "They seem to have come under intermittent fire from the ground on the return journey," the U.S. general who directed the whole operation from the Pentagon said during a television interview. He added, however, that this was just a hypothesis.

A prominent administration official described the rescue of the pilot as a "breath of fresh air" in the United States' cheerless Bosnian policy. "They showed that our country has the most sophisticated army in the world," President Clinton said proudly of the people involved in the operation during his television address to the nation. He also expressed confidence that Scott O'Grady's story would form the basis of an outstanding movie.

There will be just one difficulty with this movie: The Serbs' quite incomprehensible, inexplicable carelessness. As President Clinton said after talking to the rescued pilot, "O'Grady had barely enough time to hide from the Bosnian Serbs after his parachute landing. He had between three and five minutes to find a spot to take cover and begin his incredible odyssey, which, I am convinced, will one day make an exceptionally great film," President Clinton said on television.

In their profound, sincere joy the President and his national security adviser even smoked a cigar. This happened in the middle of Wednesday night, when the White House was told that the AWACS radio reconnaissance aircraft had received a signal from O'Grady's radio transmitter and established his precise whereabouts.

A special group of marines prepared for the rescue operation from the very moment that the U.S. aircraft was downed by a self-guided SAM missile, which does not weigh very much and is launched from the shoulder.

At 0300 U.S. Admiral Smith, commanding the squadron in the Adriatic, asked the leader of the airborne troops how much time he would need to complete his preparations for the operation. The response came: 60 minutes. Exactly an hour later two helicopters carrying 40 marines took off from the battleship Kearsarge. An AWACS reconnaissance center installed aboard a specially converted Boeing 707 was already in the air. Two Cobra attack helicopters, an echelon of Harrier fighters from the aircraft carrier Theodore Roosevelt, and two echelons of Hornet fighters based in Italy were also operational.

The flying time coincided with dawn over the Adriatic coast of Bosnia. This is not the best time to conduct an operation. As the very same Pentagon general said on television, it would be preferable to conduct an operation at night using the technical advantage enjoyed by the Americans, who are fully equipped with night-vision electronics and instruments. But the command decided that it need not fear the Bosnian Serbs' air force, since they do not have one. Moreover, for a few years now a "no-fly zone" has been observed throughout Yugoslavia. Two years ago the United Nations downed four Serb aircraft in implementation of this decision, and a little later U.S. fighter missiles downed two U.S. helicopters, killing their passengers and crews.

Pilot Scott O'Grady spent five and a half days alone. He moved only at night, in order not to draw attention from likely pursuers. He had a rescue kit at his disposal comprising a pistol, a battery-operated radio beacon, a portable radio transmitter, a compass, a concise Serbo-Croatian phrasebook, matches, a blanket, survival instructions, and a small amount of food, including chocolate and sugar.

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It cannot yet be established from the wealth of information coming in via all U.S. mass media channels when precisely the pilot finished the chocolate and switched to eating crickets and ants and to quenching his thirst with rain water. However, it is known that he was very hungry when he arrived abroad the Kearsarge.

His instructions had also contained advice on catching small animals for food; however, the pilot did not manage to apply them during the five and a half days.

When asked by the television commentator whether the U.S. forces were ready to put down Bosnian Serb opposition had there been any during the landing, the Pentagon general said that this had been planned. The combat power of the aircraft, the Navy guns, and several hundred marines in the second echelon had been designed to crush and suppress any opposition. Careful reconnaissance using the latest electronics had, however, enabled them to predict that there would be no resistance — at least, no serious resistance.

The general gave no explanation as to why, when the found the parachute, the Serbs did not comb the surrounding area, mindful that the pilot could be no further than five minutes at a very fast run from the area.

On the way back after landing the helicopters launched several missiles, but there have been no reports yet as to their targets or why they were fired. Nor have there been reports of Bosnian Serb casualties.

The difficulty in finding the pilot was due to his transmitter's lack of power and the fact that the signal was weaker because of the mountainous terrain. Furthermore, O'Grady made very sparing use of his radio for fear of running down the battery. However, the AWACS patrolling high in the sky was not hampered by the area's terrain from picking up the radio beacon signal and establishing the pilot's coordinates.

O'Grady himself picked a spot for the helicopters to land in the wooded, mountainous terrain, and that was why the rescue helicopters circled the area for a while. When they saw the thick yellow smoke signal they landed and prepared to cordon of the whole open area. But there was no need for that, since the pilot immediately ran out of the bushes, joyously greeting his comrades but without letting go of his pistol.

The marines were armed with automatic rifles and machineguns, and the airborne helicopters were ready to provide artillery support.

Discounting weariness and exhaustion, which are the main reasons why O'Grady is in the ship's hospital, he is fine barring a minor burn on his neck. This is thought to have happened when he ejected from his aircraft.

Inspired by the brilliant success of the operation, U.S. Defense Secretary William Perry expressed confidence that U.S. airborne troops are capable of releasing the Serbs' hostages very rapidly at night.

In 1979 a combat group of specially trained U.S. army airborne troops tried to release their compatriots who had been taken hostage in Iran. Then the rescuers lost their bearings in the desert and several helicopters collided with one another in the air, tossed around in the sand cloud blown up by the helicopter rotor blades.

Regardless of the lack of opposition from the Serbs, the progress made with rescue operations is plain to see, since no one was injured by friendly fire, the aircraft did not collide with the helicopters, and the ability to substitute crickets for chocolate and remain quite motionless in the bushes in daylight is evidence of U.S. airborne troops' increased professional training.

Although President Clinton constantly monitored the course of the operation to save the lone pilot and even dared to relax with a cigar at midnight, his Bosnian policy is shaking under attack from somewhere other than the Adriatic. Shortly after Scott O'Grady spoke to the President the U.S. House of Representatives adopted a resolution by an overwhelming majority urging the President to try to have the embargo on arms shipments to Bosnia lifted. In order to become law this resolution needs Senate support. It must also avoid the presidential veto, which is quite likely in this instance.

For all the romantic hyperbole surrounding Scott O'Grady's heroism, the joy that the whole nation is experiencing at their soldier's rescue and their unhesitating readiness to bring huge forces to his aid evoke a feeling of respect and explain the reasons for Americans' profound patriotism. No American has any doubt that the government will forget him under any circumstances, abandon him in distress, or economize on rescuing its compatriots.

Yavlinskiy Washington Speech on Reform Noted

MM1206085695 Moscow IZVESTIYA in Russian 8 Jun 95 pp 1, 5

[Report by Vladimir Nadein: "The War in Chechnya Is Being Waged Also With the U.S. Taxpayer's Dollars, Grigoriy Yavlinskiy Believes"]

[FBIS Translated Excerpt] Washington — The meeting was organized by James Billington, director of the U.S. Library of Congress. The meeting was paid for, as is customary, by George Soros, a rich man. The

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participants were the most eminent scientists of America and Russia. The theme of the meeting was the state of education and culture in Russia. The star of the evening (as J. Billington called him) was Grigoriy Yavlinskiy.

The "star" appeared not just rather somber but somehow clearly anxious. Yavlinskiy had flown to America for one day. More accurately, for this one evening. Yavlinskiy was very deferential toward Soros, who called him "my old friend." Naturally, the Russian gave the billionaire his due for his really tremendous contribution to supporting our science, but he clearly stood apart from the general chorus of ardent praise for the outstanding patron. With a firmness almost out of bounds for a guest who is being treated with kindness he maintained: "No one will buy science, culture, and education for my country. This is something we must do for ourselves. This is something we can do for ourselves." [passage omitted]

Although we have made a lot of gross mistakes in the course of the reforms, I am still optimistically inclined, Yavlinskiy said. We see clearly the way to surmount them and to create a state with democratic government and worthy living standards. "But we also have preconditions for a transition to totalitarianism, repression, and international isolation. There are forces pulling the country in this direction in parliament, in the government, and in the president's entourage," he declared, emphasizing that "education, science, and culture are not part of the reform but the reform proper."

G. Yavlinskiy was extremely scathing about government officials' statements to the effect that the $12.7 billion which Russia has received from international sources is not being spent on the "monstrous adventure" in Chechnya. Given that the budget is in deficit and is 50-percent dependent on receipts from abroad, it is simply impossible to conduct large-scale combat operations only with money earned "by the sweat of your brow." "You would have to be a very narrow-minded analyst," Yavlinskiy commented on certain Western politicians with a harshness unusual for him, "to console yourself with the thought that the Russian treasury would bother itself with the task of separating the U.S. taxpayer's 'peaceful' dollar from the Russian citizen's 'fighting' ruble."

Yavlinskiy disagreed, however, that the tragedy in Chechnya must cause the cessation of material aid to Russia. Aid is needed. But money should be allocated to clear-cut, controlled programs connected with people's living standards and with system transformations in the country. At the same time we should not lose sight of the fact that Russia still possesses real resources for improving its transition to democracy and the market economy. It is dangerous to rely on aid from outside in the long term. "The United States of America is not a charitable foundation but a state with its own difficulties and problems," Yavlinskiy remarked with irony.

Answering a question from one of the U.S. participants about the reasons why the "Yabloko" bloc is rejecting an election alliance with Yegor Gaydar's "Russia's Choice," which comes out both for economic reforms and against the war in Chechnya, Yavlinskiy said:

"I have two answers: one very brief, and one very long. At home I explain my position frequently and in detail. Here I will be brief. In the elections to parliament it will be a question of how to implement the reforms. The elections will determine the method, the type, the approach, and the policy of transformations. Here we have serious disagreements with Gaydar. I disagree with voucher privatization. I disagree with the pointless pain of shock therapy. With promising the ruble's stabilization by next Wednesday and, if this does not happen, again by the following Wednesday. I disagree with combating inflation by not paying people their wages and by means of the crisis of nonpayments between enterprises. I want neither to continue 'Gaydar's cause' nor to approve it by my participation."

The presidential election is another matter, Yavlinskiy continued. Here it will no longer be a question of the reforms but of the form of rule that our country will have. Here our visions largely coincide, and joint action to elect a common president is perfectly logical.

Yavlinskiy voiced the conviction that gross mistakes in implementing the reforms have complicated the situation in the extreme but have not driven Russia's democratic forces from the political scene. "I am proud of my people and proud to be a part of them," Yavlinskiy said, citing the fact that just 12 percent of the population voted for the extreme nationalist Zhirinovskiy, while in France Le Pen got over 16 percent. Even after 75 years of ideological monopolism the Russian communists managed not much more. "This means that 75 percent of Russians are still on the other side," Grigoriy Alekseyevich Yavlinskiy concluded his speech in the U.S. Library of Congress. Guided by public opinion polls in Russia, U.S. analysts call him one of the most promising candidates for the country's next president.

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Yeltsin Thanks Japan for Help in Quake Clean-Up

LD1206124595 Moscow ITAR-TASS in English 1206 GMT 12 Jun 95

[By Aleksandr Kopnov]

[FBIS Transcribed Text] TOKYO, June 12 (ITAR-TASS) — During a meeting with Japanese Foreign Minister Yohei Kono here on Monday, Ludwig Chizhov, Russian Ambassador in Tokyo, handed over Russian President Boris Yeltsin's message addressed to Japanese Prime Minister Tomiichi Murayama. The message conveys gratitude to Japan for assistance in the elimination of the aftermath of the recent devastating earthquake on Sakhalin Island.

The Ambassador also delivered similar messages addressed to the Japanese government from First Vice-Premier Oleg Soskovets and Foreign Minister Andrey Kozyrev.

When accepting the messages, Mr Kono emphasised that Japan, remembering Russia's help to the Kobe earthquake victims in January this year, this time immediately decided to help Sakhalin people. Tokyo is prepared to continue to help them as far as possible, he said.

The Japanese Foreign Minister also declared in favour of establishing closer contacts between the two countries' experts on the study of the nature of earthquakes with a view to forecasting them. This matter is expected to be discussed among other things during the forthcoming session of the bilateral Commission on scientific and technical cooperation in Moscow in July.

Kozyrev Stresses Need 'To Speed Up' NPT Talks

LD1006141995 Moscow ITAR-TASS in English 1352 GMT 10 Jun 95

[By Oleg Velichko and Andrey Shtorkh]

[FBIS Transcribed Text] SOCHI, June 10 (ITAR-TASS) — France's plans to resume nuclear testing underscores the need to speed up the Geneva talks on the Nuclear Non-Proliferation Treaty (NPT), Russian Foreign Minister Andrey Kozyrev said.

In an exclusive interview with ITAR-TASS on Saturday, Kozyrev said "France's intentions to resume nuclear testing, which has grown stronger lately, is not a surprise to us because it was one of the items in its new president Jacques Chirac's election programme."

Kozyrev said Russia's position on nuclear testing remains unchanged — Moscow is against the resumption of nuclear testing and remains committed to its nuclear test moratorium.

Nuclear Energy Minister Signs EBRD Agreement

LD1006072495 Moscow ITAR-TASS in English 0641 GMT 10 Jun 95

[By Vladimir Voronkov]

[FBIS Transcribed Text] LONDON June 10 (ITAR-TASS) — The European Bank for Reconstruction and Development (EBRD) allocates 100 million U.S. dollars from a special account of the European Union to retool urgently the Leningrad, Kola and Novovoronezh nuclear power plants.

An appropriate agreement was signed in London on Friday by Nuclear Energy Minister Viktor Mikhaylov, chairman of the State Committee for Nuclear Industry Inspection Yuriy Vishnevskiy and First Vice-President of the bank Ronald Freeman.

Work to raise the stations' safety will be done by Russian specialists, while deliveries of component parts will be made on the basis of a tender.

Freeman stressed that this contract is the basis of renewed cooperation between Russia and the West to ensure safety of Russian nuclear power stations.

Asked by journalists about the delivery of Russian nuclear reactors to Iran, Mikhaylov stressed that nothing can prevent the implementation of this deal concluded in 1992. Only cooperation between Iran and Russia can exclude military aspects from its defence programme, he noted.

According to the minister, there is no reason why Moscow could not agree with Iran on another accord for peaceful uses of nuclear energy.

Mikhaylov noted that Russia intends to extend periods of a 150-million-dollar credit for the construction of a nuclear power plant in Slovakia and called on the European bank also to give financial assistance to this project.

Council of Europe Ties Admission To Report Results

LD1006165595 Moscow ITAR-TASS World Service in Russian 1152 GMT 10 Jun 95

[By Gennadiy Kipkeyev]

[FBIS Translated Text] Nalchik, 10 June (ITAR-TASS) — A delegation of experts from the Parliamentary Assembly of the Council of Europe (PACE) led by the chairman of that international organization's subcommission on human rights, Lopes Khenares [name as transliterated], arrived today in Kabardino-Balkaria to

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continue its study of the situation in the North Caucasus.

"The report compiled by the PACE experts on the results of their present visit will contain serious criticisms of Russia but also an understanding of the complexity of the issue and this will be reflected to some extent in the unfreezing of the procedure for admitting Russia into the Council of Europe," Chairman of the State Duma Committee on International Affairs Vladimir Lukin, who is accompanying the delegation, told journalists. He expressed hope that the PACE's verdict would be objective and positive.

Before leaving Vladikavkaz yesterday, Lopes Khenares told ITAR-TASS correspondent Valeriy Shanayev that the decision on whether or not to admit Russia into the Council of Europe would seriously depend to a great extent on the conclusions drawn on the basis of a study of the information gathered by the PACE experts during their visit to the North Caucasus. The admission procedure was suspended at the beginning of this February in connection with the tragic events in Chechnya.

Russia-PRC Military Cooperation Seen as No Threat

LD0906165295 Moscow INTERFAX in English 1514 GMT 9 Jun 95

[FBIS Transcribed Text] MOSCOW, June 9 (INTERFAX) — Cooperation between China and Russia, including in the military sphere, does not pose any threat to the countries of the region, Chen Jian, head of the Chinese Foreign Ministry press department, said Friday when he visited the INTERFAX central office in Moscow.

Chen Jian heads the Chinese Foreign Ministry delegation holding consultations with the Russian Foreign Ministry on information exchange.

He said that the scale of the Chinese-Russian military and military-technical cooperation "is rather limited and does not run counter to third countries' interests."

The diplomat refuted the information that China was going to buy a Russian aircraft carrier. "China, being in development, just does not have spare money to buy arms. The fact that both our countries are interested in a peaceful environment is also important," he said.

Speaking about Primoriye Territory governor Yevgeniy Nazdratenko's demands that Russia denounce the Soviet-Chinese 1991 treaty on the eastern part of Russia's state border, Chen Jian expressed his confidence that the Russian people would support their political leaders and the Russian Foreign Ministry, which do not share the views of some Primoriye politicians.

He said the peoples of both countries should look forward to the future. "It is impossible to go ahead if one concentrates on differences all the time. Differences are a way backward, to the period of confrontation. It would do our countries much harm," said Chen Jian.

He said that the official visit to Moscow by Prime Minister Li Peng, set for late June, will certainly play an important part in the development of Russian-Chinese relations.

Foreign Ministry Appeals for Peace in Afghanistan

LD0906190695 Moscow ITAR-TASS in English 1822 GMT 9 Jun 95

[By Yuriy Kozlov]

[FBIS Transcribed Text] Moscow, June 9 (ITAR-TASS) — The Russian Foreign Ministry addressed the participants in the inter-Afghan dialogue with an appeal to refuse from armed struggle and to make serious efforts for reaching compromise in the interests of national conciliation.

The statement of the Russian Foreign Ministry expresses "deep concern" over the unceasing armed clashes between military-political groups in Afghanistan.

Their confrontation is acquiring the quality of an interethnic feud fraught with the country's disintegration.

"The absence of civil peace and a commonly recognized authority in Afghanistan results in such dangers for its neighbours as the import of narcotics and weapons, penetration of mercenaries into their territory," the statement says.

The document points out that Russia comes out "for the preservation of integrity and unity of Afghanistan, against all attempts to rupture this nation on ethnic, language, religious, and other grounds," as well as against foreign interference in the inter-Afghan controversy.

It is a matter of special concern for Russia "that the safety of Afghanistan borders with the CIS be guaranteed, and that the Afghan territory not be used, as it is now with respect to Tajikistan, for subversive activities undermining stability and security of neighbouring countries," the documents says further on.

The Russian Foreign Ministry sees the way out of the conflict in forming "a widely representative leadership, taking into consideration the interests of ethnic and religious groups of Afghanistan's population, the traditions of Afghan statehood."

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An active and unbiased United Nations mediation, coordinated efforts of the neighbouring countries and other interested states, could play a favorable role in implementing these goals.

Ministry Condemns 'Terrorist Act' in Tbilisi

LD1006162095 Moscow ITAR-TASS in English 1554 GMT 10 Jun 95

[FBIS Transcribed Text] MOSCOW, June 10 (ITAR-TASS) — The Russian Foreign Ministry expressed serious concern on Saturday [10 June] in connection with a terrorist act against the headquarters of the group of Russian troops in the Trans-Caucasus on Thursday that killed one Georgian officer.

"Moscow condemns the terrorist act and hopes that it will not remain unpunished this time and that the Georgian authorities will immediately take the necessary measures to neutralise the so-called 'Alget Wolves' organisation which has claimed responsibility for the attack," a statement issued by the Russian Foreign Ministry said.

In the statement, the ministry expressed the hope that "the competent bodies of the republic will at last ensure the necessary security and protection of the personnel and the buildings of the diplomatic mission, the headquarters of the group of Russian troops in the Trans-Caucasus and Russian border troops in Georgia."

"At the same time, the Russian Foreign Ministry believes that this new brazen provocation will not be able to disrupt the successfully developing process of strengthening relations between Russia and Georgia or undermine the ties of traditional friendship and cooperation between our countries and peoples," the statement said.

The terrorists fired 17 shots at the premises of the Georgian Defence Ministry on Thursday, four of which hit the building of the headquarters of the Russian army group located near the Defence Ministry. The duty officer of the Georgian Defence Ministry was killed. The State Security Service launched an investigation.

Major General Vasiliy Belchenko, second commander of the Russian army group in the Trans-Caucasus, told journalists that "these are the intrigues of those who seek to undermine Russian-Georgian relations."

Debt to Hungary To Be Paid in Energy, Equipment

MM1206095695 Moscow ROSSIYSKAYA GAZETA in Russian 9 Jun 95 First Edition p 11

["Protocol of Intent" dated 7 March between the Russian Federation Ministry of Foreign Economic Relations and the Hungarian Republic Ministry of Industry and Trade: "Russia Will Repay Debt to Hungary by Subway"]

[FBIS Translated Text] On the basis of the Agreement Between the Government of the Russian Federation and the Government of the Hungarian Republic dated 1 April 1994 talks have been held between on the question of clearing the former USSR's debt to Hungary in transfer rubles.

The means of clearing the remaining tranche of the debt, as enshrined in the Agreement of 1 April 1994, were discussed during the talks between the two ministries and entrepreneurs of both countries. As a result of the discussion it is likely that the following specific opportunities will be realized:

1) As part of energy cooperation, the delivery of Russian coal or gas for Ukrainian electrical power stations, while from Ukraine there will be deliveries of electricity to Hungary. The cost of the project, according to estimates, is $60 to 70 million per year.

2) The acquisition of special equipment for the Hungarian Armed Forces and Ministry of Internal Affairs for a sum of around $250 to 300 million.

3) The import of machine-building products from the Russian Federation to the Hungarian Republic (ships, trucks, combines, tractors, and a tank farm) for a sum of around $200 million.

4) The participation of Russian organizations in the construction of a new branch of the Budapest subway in the southern Buda direction. Around $250 million could be repaid by the construction of the aforementioned facility. The Russian side will send the Hungarian side its proposals regarding the plan for financing the aforementioned work within 60 days.

The sides have taken note that talks will continue between the relevant ministries on coordinating the specific details of plans and on determining their feasibility, including schemes for the capitalization of part of the debt in shares in Russian enterprises undergoing privatization and the provision of services.

Other possible means of clearing arrears are also being sought.

The sides will continue to examine progress in implementing the aforementioned items in this protocol during the second quarter of 1995.

Signed in Moscow 7 March 1995, in duplicate, in the Russian and Hungarian languages, both texts being equally authentic.

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Sentencing of Harare Aeroflot Chief as Spy Viewed

954F2486A Moscow MOSKOVSKIYE NOVOSTI in Russian No. 34, 7-14 May 95 p 14

[Article by Natalia Gevorkyan under the rubric "Special Services": "The Spy Who Came in From the Warm"]

[FBIS Translated Text] For the first time in the past two years a case against a Russian citizen on charges of spying for a foreign state has been tried. The legal arguments that arose in connection with this case require urgent solutions.

The FSK [Federal Counterintelligence Service] reported that in 1994 it exposed 22 agents of foreign special services among Russian citizens. Names were withheld. Only two specific criminal cases on charges of treason in the form of espionage were mentioned: one with respect to an employee of the AO [joint-stock company] Special Machine-Building and Metallurgy, the other with respect to an aide to the AO Aeroflot representative in Zimbabwe. As followed from the report, both had been recruited by foreign special services and had passed classified information.

The case of the Zimbabwe spy, who turned out to be Vladimir Gurdzhiyants, has been tried; the Moscow Military District court sentenced him to eight years in prison. The other spy—GRU [Main Intelligence Directorate] officer Baranov—was sentenced to six years in prison two years ago.

The Procurator Is Happy With the Sentence

"Spied for Zimbabwe" sounds like a joke, especially keeping in mind the "warm and friendly relations" that existed between this southern African country and the Soviet Union. What kind of secrets can an aide to the Aeroflot representation chief in Harare betray, and to whom, is beyond the imagination. Sergey Lebedev-Gorskiy (Russian Federation State Procuracy), the investigator cum state prosecutor in the Gurdzhiyants case, reacts calmly to the tease:

"I was also perhaps amused by the plot. A compact man with an easy smile, he worked somewhere in the boondocks in Zimbabwe, a country quite friendly to us. They still say 'Comrades....' there. Nevertheless the case ended with a sentence, and I believe that it is a certain landmark in the history of our jurisprudence. At least from the standpoint of preventing similar crimes in the future."

The essence of the rest of what the procurator told me boils down to the following: If someone decides to sell his motherland, let him beware that he may end up in jail. Lebedev-Gorskiy asked for 12 years for Gurdzhiyants; the court reduced it to eight (below the required minimum limit) after taking into account the man's advanced age (59), failing health, and until then flawless career (several decades with Aeroflot). The procuracy did not object.

So what is it that our irrepressible spy perpetrated in the country of famous balancing stones, the no-less-famous Victoria Falls, elephants, monkeys, and crocodiles, bananas, and coconuts, a mildest climate, and a quite cordial atmosphere? For the sake of what did he exchange a villa with a pool for a shared cell in Lefortovo? It proved rather difficult to find this out, since the case is one of espionage, after all, and therefore is sealed.

From the bits and pieces that I did get, the following picture emerges. Gurdzhiyants began to work in Zimbabwe in January 1991. He was not quite happy with his modest position (both career-wise and monetarily) and he engaged in business which was neither envisaged by his status nor sanctioned by his superiors. Realizing that his boss was irked by this, Gurdzhiyants began to scheme against his boss, hoping to take his place, and in the future settle in Zimbabwe for good. This is where the business he had began doing with various companies from South Africa, Namibia, Zimbabwe, Belarus, and Russia would come handy (as follows from the prosecution materials, the power of attorney to represent the interests of the Russian company New Technologies was issued to Gurdzhiyants in 1992 in his capacity as general director of Zimbabwe company Pelican.

It appears Gurdzhiyants decided to carry out his plans with the help of Zimbabwe intelligence. Until September 1993, as follows from the sentence, he several times met secretly with local intelligence representatives. Among the information he passed to them were classified data on Russian special services' officers, including those working under various covers in Zimbabwe.

Such is the picture that emerges from the rather fragmentary data I obtained. Whether there was direct material gain in all this is unclear. During a search of Gurdzhiyants' Moscow apartments, about $11,500 was confiscated, which is not exactly what one would expect as remuneration for spy services. This amount was confiscated in keeping with the court's ruling. By the way, Gurdzhiyants' wife told me that of this money, only about $4,000 was theirs; the rest belonged to their children (the whole family lived in Zimbabwe) and other people (borrowed). Or perhaps the gain was not of a completely material nature and Gurdzhiyants hoped that local special services would help him to get rid of his boss?...

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Gurdzhiyants also was charged with passing information on Aeroflot's commercial and financial operations, but the court dismissed this charge. As a result, what was left were three episodes, on the basis of which he was sentenced.

Compromising Materials Put To Use

I was able to find out that the Russian special services watched Gurdzhiyants for quite a while, that is, an operational check was conducted on him (in lay terms—his telephone was tapped, he was put under surveillance, his mail was read, etc.). In April of last year the materials were handed over by the FSK to the military procuracy and later used as evidence in the criminal case. As Lebedev-Gorskiy explained to me, he "conducted investigative actions that convinced him of the validity of the materials received on Gurdzhiyants." This means among other things that phonoscopic (voice and speech) and graphological expert evaluations were conducted—otherwise these materials could not have been used in the case as evidence.

Gurdzhiyants was detained when in Moscow. According to Lebedev-Gorskiy, the latter did not suspect anything and was unperturbed by the request to come to the Lubyanka. Perhaps he decided that they wanted to talk to him about his boss, who Gurdzhiyants would be happy to get rid of (if I understood correctly, he had complained about his boss to the FSK, among others). He was stunned when it was explained to him that he was suspected of treason. The first interrogation, recorded on video tape, was conducted on the spot. The shocked Gurdzhiyants admitted being guilty of contacts with a foreign special service. An attorney was present during detention....

An Attorney—But the Wrong One

This, of course, was an attorney invited by the investigative organs, against whom, as Lebedev-Gorskiy explained, Gurdzhiyants had no objections either at the time he was detained or when he was charged on 8 April 1994. At the end of April, however, Gurdzhiyants refused the services of the first attorney, which it was completely within his right to do, and asked his family to find him another lawyer. Investigative actions with Gurdzhiyants' participation were suspended, and the controversy with lawyers began, whom the family wanted but the procuracy did not since they did not have the necessary level of clearance (No. 1) for cases involving state secrets.

The story made it to the press at the stage of the squabbling on the subject of defense between the procuracy and the bar. The name of the defense attorney mentioned as first allegedly permitted on the case and then removed from it was that of Dmitriy Shteynberg—a well-known lawyer, famous, among other things, for the "GKChP [State Committee on the State of Emergency] case"—he was Valentin Varennikov's attorney.

The procuracy's position: The case in question involves state secrets, and therefore in keeping with the law on state secrets the lawyer must have, or obtain, the clearance appropriate for the case. This, in the procuracy's opinion, does not violate the national constitution, since it assumes that all RF [Russian Federation] citizens must abide by Russian laws, which means that attorneys too must abide by the law on state secrets. It is unimportant, in the procuracy's opinion, that the national government has not made, as it was supposed to, amendments to the Criminal Process Code to accommodate the law on state secrets. The Criminal Process Code envisages anyway that if an attorney selected by the defendant cannot participate for a lengthy period of time, the investigation or the court has the right to appoint an attorney for him through the bar. Yes, the procurators agree, the right of the accused to have a defense attorney selected by him is codified not only in the Russian Constitution but also in the international treaty on civil and political rights, but it also envisages the possibility of a court-appointed attorney for a person charged under criminal law.

The lawyers' position: Every person has the right to legal help, and this right is guaranteed by the RF Constitution (which, by the way, is not specific as to whether it be an attorney selected by the accused himself or an appointed one.—N.G.). They cite the same acts the procurators cite, but different articles in them (that is, the national constitution and the Criminal Process Code) that have not been brought into conformity with the law on state secrets, on contradictions between the Constitution and the law on state secrets, and international norms. Lawyers and procurators read the same laws, but interpret them differently, which is evidence, among other things, of the imperfection of the laws themselves.

The procuracy considers the lawyers' position not quite consistent: On one hand, they object to clearance in principle, and on the other, assign to the procuracy an attorney with a clearance after those without it have been rejected.

The Sentence Would Have Been the Same. But What If It Were Not?

In short, the procurators said (from what they told me): You want Shteynberg—fine, but let him get a clearance. While Shteynberg was saying: I am not going to apply for a clearance, because this is against the law.

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Let me explain briefly: Granting a clearance to an attorney in a special category of cases is preceded by a check. Do you get this? The security service attentively watches you, using a set of well- known methods and means, and then says: Yes, he can have the clearance; or: No, he (she) is a Chinese spy and cannot be granted clearance. If the answer is positive and the attorney is permitted to handle cases involving state secrets, in the future he is subject to all the restrictions applied to so-called keepers of secrets.

Let us jump to the end of the Gurdzhiyants story: Shteynberg refused to obtain a clearance; the procurators began to object to his participation in the case; the court agreed with the procuracy; Gurdzhiyants got his court-appointed and cleared attorney and his eight years.

Lebedev-Gorskiy believes that Shteynberg's presence as an attorney would not have changed the outcome of the trial. Shteynberg believes that this is not so and that the procuracy did not want a principled attorney to participate in the Gurdzhiyants case. I think that with equally strong sides at the trial, the case could have taken an unexpected turn, which would hardly suit the special services. Let me explain what my guess is based on. As a rule, since Soviet times Aeroflot's foreign representations have been "double-bottom" organizations. If we assume that Gurdzhiyants' boss combined two professions, it could easily turn out that the situation that developed between them resulted in the subordinate getting in his boss' way much more than the other way around. The boss, however, probably has much more opportunity to get rid of a pesky aide.

I do not know. I readily admit that, as Lebedev-Gorskiy put it, Gurdzhiyants got what he deserved. Alas, we cannot stage an experiment and retry the case with the participation of a defense attorney selected by Gurdzhiyants and his family. By the way, why did the defendant not demand a jury? He was tried under the article that permits this. This would have made the court squirm: Where would they find a dozen people with clearances?

Problems with attorneys' clearances or lack thereof occur increasingly more often and will continue to do so. There are several espionage cases right now in the military procuracy alone. If one is to believe the FSK—now the FSB [Federal Security Service]—there are about 15 more cases. Every time, this question will be raised, born of contradictory laws, which makes it possible for one side—the procurators—to object to attorneys without clearance, and the other side—the attorneys—to object to the system of clearances.

It is quite possible that Lebedev-Gorskiy is right and that Gurdzhiyants would have been found guilty under any circumstances. But what if he were not?

This shadow of a doubt compels me to appeal to the Supreme and Constitutional Courts. Take this concrete case and render a competent opinion. Let us remove all the disagreements, which hurt first of all citizens' rights; while the legal battles continue, the man on the accused bench will get a court-appointed attorney with a clearance, whether he wants it or not.

Permit me to proffer this opinion: No check by the special organs and no paper issued by them or nondisclosure agreement will guarantee professionalism and integrity. If this were the case, there would be no cases of espionage or disclosure of state secrets.

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Political Issues

Yeltsin Cited on Record, Current Issues

MM0906155695 Moscow IZVESTIYA in Russian 10 Jun 95 pp 1-2

[Interview with Russian President Boris Yeltsin by Chief Editor Igor Golembiovskiy; place and date not given: "Boris Yeltsin: We Have Found the Strength To Break the Deadlock"]

[FBIS Translated Text] [Golembiovskiy] You have been president of Russia for four years. The first president. You inherited a difficult legacy, you have had a hard time, but the main thing has been done — the destruction of one of the toughest totalitarian systems. On the other hand many people still experience nostalgia for the Soviet Union, a mighty superpower. What is your own assessment, what have you managed to achieve during this time? What can you be proud of and what do you regret?

[Yeltsin] Not an easy question. In answering it, it must be borne in mind that Russia is now in a complex transitional state and is continuing to take shape as a state. Those who have done repairs to their home know that its appearance in the middle of the work is very different from its appearance after the work has been finished. Nevertheless, it is now possible to summarize some results and talk more precisely about prospects.

You already noted one result in your question — one of the toughest, most ruthless totalitarian systems has been destroyed. I say this without fearing new accusations of destructiveness. Everything must be done to ensure that the current generation of Russians is the last one to have lived in such a cruel system.

I believe that in the last few years we have been able to do the main thing — we have found the strength to break the deadlock, to conquer our fear of change. Russia, despite the difficulties and mistakes, is progressing step by step down the democratic road, and is developing market relations.

It is no less important that on this occasion we were able to keep ourselves, as A.S. Pushkin said, from senseless and merciless Russian revolt. I am convinced that the danger of a new revolution and its monstrous consequences in Russia has now passed.

It is a characteristic of human memory to embellish the past and to idealize it, especially against the background of current difficulties. But let us ask ourselves the question: Was it not there in our past that we ourselves were formed with all our faults, is it not there that the roots of our present problems lie?

Every day recently I have been dealing with extremely hard questions regarding the Sakhalin earthquake. It literally shook Russia. But the homes which collapsed like a house of cards were designed and built by somebody, somebody did a rush job to meet the plan, somebody was moonlighting, and somebody turned a blind eye to failures to finish work properly and to obvious shoddy work and reported the early handover of facilities. Collective irresponsibility, mutual protection, hypocrisy, the deliberate deception of each other — and this is how the whole country lived for decades!

And what if you tried swimming against the current, tried getting indignant, tried to criticize the authorities. Do you recall what happened for doing this? Many have already forgotten....

It was not in the years of the reforms but then that a healthy attitude to work and an assiduous attitude toward the land were destroyed. It is not now but then that a boorish attitude toward each other, indifference, and callousness developed. These were not "isolated shortcomings" but the main thing that distinguished that system.

Of course, the gravest consequence of its collapse was the disintegration of a united country, the former Union.

Currently there are many disputes on this subject and there are many distortions. It is time to introduce some clarity. Russia never acted against the Union. Moreover, the Declaration of Sovereignty, which is already five years old, presupposed that we are located and that we live in the Union. Whoever doubts it can refer to the text of the declaration itself.

It is a different matter that the Union could not exist in its previous form. As early as 1990 it was showing deep cracks and it began to disintegrate. It was impossible to watch this apathetically, action had to be taken. Above all it was necessary to step up preparation of the new Union Treaty. The Union republics were literally crying out for this.

With enormous difficulty it was eventually possible to convince the country's leadership at the time that a Union Treaty must be prepared, that we must look ahead. It was only in April 1991 that this work began, although much time had been lost.

Were it not for the August putsch, the Union Treaty would have been signed and the country's fate could have turned out differently. This is best proved by the Russian Federation's experience. What a furor there was over its possible disintegration! But unlike the Union, we managed to get this process onto the federalist track. Now the danger of Russia's disintegration has passed. I

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think it is especially important to stress this on the eve of our holiday — Russia Day.

The Union also had this chance before the August putsch. The Union had this chance even after the putsch. But delays, procrastination, and endless coordination over every period and comma began again.

One republic after another began to become disenchanted with the Union center's position, to rely on its own efforts, and, as the saying goes, to vote with its feet. The last chance to preserve the Union disappeared after Ukraine voted in a referendum effectively to secede from it.

But I would stress that first the Union bureaucracy and the Union authorities collapsed. The putsch was prepared with their tacit consent and participation. And after it failed the authorities were absolutely demoralized and totally incapable of running the country. That was the real collapse, the real failure! All the levers of power failed, and control over the country was completely lost. We were heading for disaster. And had it not been for the December decisions and the formation of the CIS, who knows how it would all have ended.

It is sometimes said that the country's unity can only be maintained by force. That is a major delusion. Throughout the late eighties attempts were made to maintain it by force — and it collapsed as a result. Recall the events in Tbilisi, Baku, Vilnius, and so forth. After all, force was effectively the only method used to try and resolve this difficult, delicate problem. I believe that it was this emphasis on force, to the detriment of all other possibilities — political, legal, economic, and so forth — that ultimately undermined the Union.

It is another matter when an unconstitutional regime emerges in part of the country and launches an armed mutiny — then force has to be used. These are exceptional cases. Thus, we have now been forced to use strong-arm methods in Chechnya. But nobody has the right to accuse us of building the Russian Federation under the barrel of an assault rifle. Enormous peaceful political efforts have been expended to strengthen it. These efforts have played and are playing a decisive role. It is they that have produced the most important and effective results. The fact that the Chechnya crisis has not triggered a chain reaction in Russia and has not threatened to bring about a collapse shows that we have learned at great deal and that we will definitely maintain a united Russia.

As for nostalgia for the former Union.... Of course, this exists — it is not so much nostalgia for that system but for a united country and for contacts which were not impeded by barriers and borders. This is a nostalgia that is present not only among Russians but among the residents of all the former republics.

A referendum was held in Belarus recently, and the overwhelming majority of the population advocated the closest relations with Russia. If you were to hold similar referendums in other republics I am sure that the results would be largely similar. Just remember the Great Victory anniversary. And then, I think, you will definitely agree.

Strengthening relations and moving toward rapprochement and integration — that is the will of most citizens of all CIS countries. And I believe that we will undertake this rapprochement — not immediately, but gradually. This process has begun and will grow.

[Golembiovskiy] Boris Nikolayevich, it is five years since the Declaration of Russian Federation State Sovereignty. How has the concept of sovereignty — in the economic, political, and interstate spheres — been enhanced over the past few years?

[Yeltsin] The sovereignty declaration primarily raised the issue of demarcating powers between the Union authorities and the Russian authorities. We wanted clarity and certainty — what responsibilities would Russia assume to its own citizens, and what responsibilities would be borne by the Union authorities. That was the crux of the sovereignty issue at the time. We needed to separate working areas and get down to work. Instead, it was proposed that we engage in endless discussions and operate not on the basis of elaborated and adopted rules, but whatever way things turned out.

We were patient, and prior to the August putsch we worked more on the legal side of the issue and less on the practical side. The main levers of power remained with the Union. And the demarcation process, it seemed then, would proceed smoothly and evenly over the course of several years.

But the situation did not turn out that way.

As I have already said, after the putsch the Union authorities to all intents and purposes found themselves stuck, had lost their ability to run the country, and had lost control over events. And this mainly affected Russia. After all, the biggest and most powerful Union republic had the least-developed statehood.

This was the most dramatic period. Winter lay ahead, there were no foreign-exchange reserves, and the gold reserves had been virtually exhausted — practically all we had left were debts. Union officials dispersed to commercial structures, which they had already managed to create for themselves. It even became a problem to

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phone certain Union departments — there was nobody there to answer the phone.

There was no choice, we had to expedite and accelerate as much as possible the building of Russian statehood, otherwise there would have been anarchy and disruption. But there could have been no question of any demarcation of powers here. With whom could we demarcate them?

It has now become fashionable to reproach the president and say that many mistakes were made, that actions should have been better and more elegant. They are wise after the event, so to speak.

Right, they say, you were wrong not to dissolve the Supreme Soviet after August and not to hold new elections. But to have done that then, in that situation?! At that time it was one of the few effective organs in Russia.

Or else the criticism is that the wrong government was picked. Other people should have been invited to join the government, they say. Maybe so, but where were these people to be found? Among those who are today the most zealous reformers there are people who were invited, begged, and cajoled to do this at the time. But to no avail. The people who joined the government were those who had sufficient courage to harness themselves to an extremely heavy cart hurtling into the abyss. The others preferred not to sully themselves but to watch from the sidelines.

I can say the same about any issue and about many specific people. It was an extremely critical moment, and each person revealed himself in his true colors — from the professional, civic, and moral standpoints.

Now a few words about what has changed in five years. First let's deal with the economy. I think people still remember the end of 1991: ration cards with which there was nothing to buy, waiting lines for bread. At the time fear of the threat of hunger and cold literally fettered the country. Will we survive until spring? — that was the question people were asking each other at the time. Thanks to tremendous efforts it was possible to prevent the worst. The country survived.

After five years of market transformations in Russia it can be said that the reforms have traveled their own, Russian path. The choice of instruments for economic policy was extremely limited.

The reform began in conditions of declining production, universal shortages, and general barter. By this time the economy was gravely ill and literally fell apart.

Military spending made up a huge proportion of the budget. At the same time as introducing market mechanisms we had to carry out the large-scale conversion of military production facilities.

We had almost no private sector in trade and the services sphere. There was practically no financial market infrastructure. The low level of personal consumption and of real per capital income reduced effective demand and the scope for price maneuvering.

In these conditions it was impossible to carry out the reform swiftly and painlessly, as first supposed.

However, the negative consequences of the transitional period, in particular the decline in living standards, the slump in production, and the pace of inflation, could and should have been considerably lower.

Nevertheless, I assess Russia's economic prospects as encouraging.

We can expect financial stabilization to be largely achieved this year and in 1996 we can expect inflation to fall to such an extent that the way will at long last be open for investment. Banks' resources will become accessible to the majority of solvent enterprises.

At the same time the tax burden on enterprises will be reduced and producers' own circulating funds will increase.

The social sphere and investment support are the key priorities of budget policy in 1996. In other spheres expenditure must be dominated by the principles of reasonable sufficiency.

The time has come to gather strength to boost the domestic economy. The prospect is one of breaking through to world markets as an independent, strong partner with confidence in the future.

Now a few words about the Russian state. Its development has made substantial headway since the adoption of the Russian Constitution and the Federal Assembly elections in December 1993. A multiparty system is developing in Russia, although it is still weak. The new constitution has clearly demarcated the powers of the various branches of power, has made them interdependent, and has made it possible to begin cooperation among them.

But Russia has still not become a strong and therefore really democratic and social state. It is precisely the social function that is lagging furthest behind the changes that are under way. At present the state poorly guarantees and protects basic human and civil social rights. This is one of the main problems today.

In short, a weak state is economically ineffective and socially dangerous.

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[Golembiovskiy] Boris Nikolayevich, how are we to reconcile your talk of a strong state and democracy? Is there really no sign of totalitarianism intruding into all spheres of human life here?

[Yeltsin] I can understand your fears. Talk of a strong state in our country is often regarded as an attack on democracy. But let us look at the world with open eyes. Let us see why we need a strong state.

The whole point is how far the state's intervention goes, what its methods are, and, most importantly, who determines this and how. In a totalitarian state this is determined by an uncontrolled group of rulers, by their arbitrariness. This was the case in the former Union.

A democratic state is a different matter. There the state's regulation of social and private life is limited by society, by the law. This is why the legislative branch is so important in any state, why free, regular elections of legislators — our deputies — are so important.

[Golembiovskiy] On the subject of elections. Aren't you afraid that the election campaign may sharply exacerbate the present situation in Russia? And in view of this: Will the parliamentary and presidential elections take place on time?

[Yeltsin] I will begin with the latter question, although I have already answered it several times. The dates of the elections are specified by the constitution, and I, as head of state, must ensure that they are held on time. It will not be otherwise. At the same time there is a need to ensure that election legislation is in line with the constitution and is a matter of accord rather than discord. It is this that determines my actions.

Now for the political situation. The period since the Federal Assembly elections and the adoption of the constitution has certainly been characterized by greater political stability. At the same time there are political forces in Russia which still entertain hopes of turning back and isolating Russia from the rest of the world. They realize that these elections are their last chance.

The drama of the situation lies in this fact. At the upcoming elections Russia's citizens will have to choose not only between different courses of democratic development for the country, but also between stability and upheavals. Small wonder that the upcoming elections are arousing concern and there are even voices calling for the elections to be canceled.

But there is another way out — namely the unification of all constructive political forces interested in Russia's stable development and in preserving and strengthening democracy. I am sure that both politicians and voters will realize this.

[Golembiovskiy] A meeting of the "G-7" in which you will take part is expected in mid-June in Halifax. What are you taking to the meeting and what would you like to bring back?

[Yeltsin] First, it is no longer exactly the "G-7."

On political matters it is the "G-8," in which Russia is a full participant in the debate. On economic matters it is at present something like the "G-7.5." In Halifax we will take a step toward greater participation in the discussion of economic issues than at last year's meeting in Naples. I will also speak on global economic problems.

The next day will see the discussion of political issues. I think everybody will be concerned about the situation in the former Yugoslavia. There will be discussion of disarmament and of how to increase the effectiveness of the United Nations. Russia has something to say on all the issues, and we are taking an active part in elaborating the political document.

I hope the meeting of the leaders of the eight powers will have a good impact on both the world economy and politics. When the machinery for coordination works, stability and confidence increase.

[Golembiovskiy] When will hostilities in Chechnya end?

[Yeltsin] Your question should be answered by Dudayev rather than the president of Russia. It is Dudayev who is calling for "war to the bitter end" and is carrying out forcible mobilization. And he is doing this at a time when normal peaceful life is being restored on the bulk of Chechnya's territory.

I think that the last strongholds of the illegal armed formations will be blockaded in the very near future, and the guerrillas' sabotage and terrorist activities will decline. The level of hostilities will decline accordingly.

The road to peace is never easy. The path to accord is very difficult. The majority of Chechnya's resident's have now come to believe that peace is being restored and have embarked on restoring the economy and local organs of power. Instead of returning to their families and to their work, others are still continuing to obey the rebels, who are forcing them to fight. But accord will be found. There is no alternative to this.

[Golembiovskiy] One final point. Today is an appropriate time to ask: Do you intend to run for another term?

[Yeltsin] I have often been asked this question lately. But I will remind readers and journalists that in 1991 I submitted the official documents for participation in the presidential elections to the electoral commission on literally the last day for registering candidates.

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The situation is no less complex now. Just imagine for a minute that today I announce that I have decided to take part in the presidential elections. All my decisions, actions, and remarks would immediately be seen as the effective start of the electoral campaign.

At the same time if I were to announce that I was not taking part in the presidential elections this would disrupt the work of the Presidential Staff, the government, and many state organs.

So I think the question is premature. Just be patient.

Yeltsin, Kozyrev, Grachev Play Tennis in Sochi

LD1106202595 Moscow Russian Television Network in Russian 1900 GMT 11 Jun 95

[Video report by correspondent Roman Nabayan; from the "Vesti" newscast]

[FBIS Translated Text] [Nabayan] [Video shows tennis courts, official cars arriving with police escorts, press photographers] A routine tennis championship began in Sochi today. It goes under the title of Big Hat. The list of participants includes Yeltsin, Kozyrev, and Grachev. The state leaders who took part in the Russian-Ukrainian talks are still in Sochi, and today they decided to go out onto the tennis court at what used to be the Lenin Sanatorium, but has now been transformed into the Rus joint-stock company.

In accordance with what has already become a tradition, the Russian president opens this championship. The first participants began to arrive at 0900. Pavel Grachev was the first to arrive. Andrey Kozyrev arrived almost immediately afterward. Finally, at precisely 1000, Boris Yeltsin arrived.

Unfortunately we do not know how events developed after that. After waiting for two hours all the journalists were told that the management of the Rus joint-stock company categorically forbids filming on its property. Therefore, not a single film group was allowed in to the opening of the Big Hat tournament.

Roman Babayan and Mikhail Fokeyev from Sochi for "Vesti."

[Announcer] It only remains for us as representatives of state television to regret that some businessmen do not allow state television in to film state leaders.

Yeltsin Edict on Promotion of Small-Scale Entrepreneurship

MM0906124095 Moscow ROSSIYSKAYA GAZETA in Russian 9 Jun 95 p 4

[Edict of the Russian Federation President: "On the Russian Federation State Committee for the Support and Development of Small-Scale Entrepreneurship," signed by Russian Federation President B. Yeltsin and dated 6 June 1995]

[FBIS Translated Text] With the aim of ensuring the implementation of state policy on the development of entrepreneurship in the Russian Federation and the efficient use of the initiative inherent in it as one of the leading factors in a future economic upsurge, **I decree**:

1. To form within the system of the organs of the federal executive power a Russian Federation State Committee for the Support and Development of Small-Scale Entrepreneurship (hereinafter — the Committee).

To add to Point 2 of Section II of the structure of the federal organs of executive power, as ratified by the Russian Federation president's 10 January 1994 Edict No. 66 "On the Structure of the Federal Organs of Executive Power" (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII [COLLECTION OF ACTS OF THE PRESIDENT AND GOVERNMENT OF THE RUSSIAN FEDERATION] No. 3, 1994, page 190) the words: "The Russian Federation State Committee for the Support and Development of Small-Scale Entrepreneurship."

2. To establish that the basic tasks of the Committee are as follows:

to elaborate proposals and implement state policy in the sphere of the development and support of small-scale entrepreneurship, and to coordinate the activity of the federal ministries and departments, and also of the organs of executive power of the components of the Russian Federation;

to elaborate and implement, together with the federal ministries and departments, as well the organs of executive power of the components of the Russian Federation, a federal program for the support and development of small-scale entrepreneurship;

to step up support for small-scale entrepreneurship on the part of the organs of state power of the components of the Russian Federation and the organs of local self-government, including within the framework of the corresponding regional and interregional programs;

to elaborate proposals on the elimination of legal, administrative, economic, and organizational obstacles to the creation and development of small enterprises;

to ensure the formation of an integral system of infrastructure in support of small-scale entrepreneurship and the provision of consultative, informational, and financial support in the creation and activity of small enterprises;

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to develop a system for training cadres for small-scale entrepreneurship, as well specialists for organs of executive power at all levels involved in giving support to small-scale entrepreneurship;

to elaborate proposals on improving the taxation system for subjects of small-scale entrepreneurship;

to elaborate proposals on improving the system and mechanism of financial and credit support to small-scale entrepreneurship;

to protect the legal interests of entrepreneurs and take into consideration and generalize the opinions of subjects of small-scale entrepreneurship;

cooperate with international commercial and public organizations in the sphere of the support and development of small-scale entrepreneurship, and coordinate this work inside the Russian Federation and on behalf of the Russian Federation abroad;

to elaborate drafts of legislative and normative acts aimed at stimulating and developing entrepreneurial activity;

to ensure the efficient use of finances channeled into the support and development of small-scale entrepreneurship.

3. The Russian Federation Government:

is to adopt a decision within two weeks on questions of the activity of the Committee, having envisaged its creation within the limits of the overall number of workers in the federal organs of executive power;

is to effect the redistribution of functions among the federal organs of executive power and make the necessary changes, according to the established procedure, in the statutes on ministries and departments.

4. The present Edict enters into force on the day of publication.

[signed] Russian Federation President B. Yeltsin

Moscow, the Kremlin

6 June 1995; No. 563

Official

By an edict of the Russian Federation president, Vyacheslav Aleksandrovich Prokhorov has been appointed chairman of the Russian Federation State Committee for the Support and Development of Small-Scale Entrepreneurship.

Small Business Emerging as Political Force

MK0906124095 Moscow KOMMERSANT-DAILY in Russian 9 Jun 95 p 3

[Report by Andrey Bagrov under the "Support for Small Business" rubric: "You Wouldn't Begrudge a Good Guy Anything Even If He Is Small"]

[FBIS Translated Excerpt] When he proclaimed his revolutionary principle "less means more," to all appearances Mies van der Rohe, the indomitable builder of skyscrapers, suspected in the back of his mind that the sphere of its use may be much wider than just office architecture. Instant inroads of small business into Russian politics accompanied by a mounting tide of publicity prove that such suspicions, if they really existed, would turn out to be absolutely correct. The edict "On the Russian Federation State Committee on the Support for and Development of Small Enterprise," which was signed 6 June (KOMMERSANT-DAILY already reported this) is an illustration of a thesis actively defended by conservative critics of state economic regulation programs: It is those who are going to provide support to small businesses that need it most. Meanwhile, the small businesses themselves need it least of all. [passage omitted]

Nonetheless, objective conditions are such that the state is now ready to display its concern for small business with unfailing insistency. Once on the campaign trail, the "party of power" — by virtue of its keen political flair — has realized the considerable political potential of the economically active part of the population. The number of people employed in the non-state sector of the economy is expected to increase within the next three years of the government's economic program being in force from 18 to 30 million people. This is an electorate no political force can ignore.

Political games over the Russian business rank and file have long been in full swing. A graphic example in this regard was the All- Russia Conference of Chiefs of Regional Funds and Centers for the Support of Entrepreneurship, which took place in Yekaterinburg this spring and came forward with quite specific political slogans. The funds, which already wield considerable bureaucratic clout, have constantly appealed to representatives of small businesses, urging them to nominate their candidates and back those who share their stance. The funds' interest in politics is attributable to fully mundane motives: There are a total of 58 funds and centers for the support of entrepreneurship in the country; in 16 regions their functions are performed by structural units of local administrations and in another three regions this is done by commercial firms. They have spent about 80 billion to finance federal and regional programs, pilot and individual enterprise projects. And,

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of course, all of them are interested in preventing the cash flow from federal and local budgets from drying up. Moreover, they want it to broaden.

Presumably, precisely the emerging trend toward politicizing the problem of state support for enterprise has become a catalyst that prompted the emergence of the presidential edict, which put the newly created federal body at the top of the entire pyramid of government authorities dealing with small businesses one way or another. Having dealt a considerable blow at the Anti-Monopoly Committee, which has up to now been technically responsible for the support of "new economic structures," the state committee has taken over nearly the most promising — from the staff point of view — area of work from it. According to a representative of the presidential administration, who commented on the new edict at your KOMMERSANT-DAILY correspondent's request, even at this stage it is evident that one of the committee's main objectives in upcoming months will be active efforts to devise two public relations theses: The president and his government realize the importance of forming a middle class in the country; and in conditions of the upcoming economic upswing, small businesses should become a mainstay of the Russian economy. Needless to say, the word "stability" was repeatedly mentioned during the conversation. [Article includes the following boxed passage]

A Competitive Environment in the Area of Small Business

In the late 1980's the overall number of independent enterprises in Russia did not exceed 40,000, all of which were state owned. At the end of 1994, according to expert estimates, their number approached 1 million. According to the Economy Ministry's forecast, by the end of 1995 another 300,000 will join them. At the same time, about 80 percent of the enterprises are small private firms. According to official statistics, over one-third of the enterprises specialize in trade and public catering; industry and construction account for 10 percent each; and 15 percent are engaged in general commercial activity in the service sector. In certain sectors of the economy (trade, consumer services, construction, commercial activity), small enterprises make up nearly one-half of the overall number of companies. In trade, they account for 55 percent of sales volume.

According to Anti-Monopoly Committee experts, these data suggest that small businesses are on the verge of offering real competition to large state and post-state structures.

Decisionmaking Process of Yeltsin's Staff Viewed

MK0906111195 Moscow KOMMERSANT-DAILY in Russian 8 Jun 95 p 4

[Report by Veronica Kutsyllo under the "President's Administration" rubric: "Scriveners of Sovereign's Orders"]

[FBIS Translated Text] The decisionmaking mechanism of Russia's executive power apparatchiks, and, specifically, of the presidential apparatus, has been a question of topical interest over the past few years. This was not only due to the fact that the country has been living through a transition period, which necessitates changes to be made in the apparatus of power. The administration of Boris Yeltsin has often puzzled analysts who have attempted to decipher the motives for making certain decisions or the pathways along which corresponding documents move about within the Kremlin. A week ago, presidential chief of staff Sergey Filatov announced another upcoming reduction in the country's bureaucratic apparatus: the Control Directorate and the government were tasked with preparing a corresponding proposal. So, the evolution of the apparatus is going on.

In her report, KOMMERSANT-DAILY observer Veronica Kutsyllo attempts to show the paths taken by drafts of presidential edicts and directives before they get stamped at the president's office.

Who Is Preparing Tomorrow for Us?

Filatov's statement is a typical example of how a new legal act emerges: The president, for some reason, has come to a conclusion that there are too many bureaucrats; he has brought this fact to Filatov's attention; and the latter, on behalf of Yeltsin, has given an instruction to prepare the document. The draft of the president's corresponding directive or edict on this matter will undoubtedly be born in great torment, since it is to affect the interests of too many people. Due to its politicized character, however, this document is doomed to be signed. There is no doubt that the nearer the election, the more edicts there will be — both of general and purely individual character (as is known, the loyalty of bureaucrats needs to be constantly nurtured).

Edicts are born in different ways. Some of them keep traveling amid presidential administration and governmental units for months, acquiring various supplementary feasibility reports and endorsements; others pop up like a jack-in-the-box — in other words, quite unexpectedly. Many lances have already been broken in disputes over the Kremlin decisionmaking technology, but in the majority of cases the specific path taken by any given edict remains unknown. It is very difficult

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to comprehend hair-splitting relations between various intra-Kremlin structures responsible for preparing presidential decisions, but we shall made an attempt to do so anyway.

The circle of initiators of edicts, as designated by Boris Yeltsin's edict of 5 February 1993 ("On the Procedure for Preparation and Submission of Edicts and Directives") and numerous — ornamental — standard acts of later origin, is rather wide: These are federal executive power bodies, the government as a whole, executive power bodies of Federation components, citizens and public organizations, the Presidential State Legal Administration, presidential administration structures, and administration leader Sergey Filatov personally. The latter has also been entrusted with the task of being the last one to endorse presidential draft edicts, ensuring that they have been duly coordinated with all of the interested agencies.

Two years ago, Sergey Filatov had to fight seriously to establish this procedure. By far not everyone in the presidential entourage was ready to relinquish voluntarily the possibility of entering the president's room last and to "make a bargain" over some word, or even a couple of lines, to his advantage. In 1993, the submission of draft edicts while skirting Filatov was recognized as illegal. But this was de jure. And what is the situation de facto? Many administration staffers who spoke to your KOMMERSANT-DAILY correspondent believe that in recent years the passage of documents has been put more in order, as compared with the "revolutionary" period of 1991-1992. The number of rashly made edicts (such as the one of 1991 on merging all power structures in Russia — the Ministry of Internal Affairs, the Federal Security Agency, and the Interrepublic Security Service — to form the Ministry of Security and Internal Affairs) has been greatly reduced.

From the apparatchiks' viewpoint, the edicts that are signed are at present better balanced. Most probably, this has nothing to do with either good or bad qualities of administration staffers. It is the politicians themselves that have changed: "Gray cardinals" dealing with politics [allusion to former CPSU Central Committee secretaries in charge of ideology matters, especially Mikhail Suslov] are being replaced for sober-thinking lobbyists — both civilized and those not quite. If one excludes the officials initiating "intra-Kremlin" edicts (on setting up new structures, and enlarging or breaking up into smaller units the existing ones — i.e., those meant to improve administration performance, which, incidentally, is closely connected with the struggle for power at various levels, promoting one's "proteges," and so forth), the rest of edict "promoters" can be arranged in the following sequence: In the first row is the top political elite, linked with Boris Yeltsin by, among other things, friendly relations; these are followed by regional leaders, "power structures," the economic elite, and public movements. Of late, regional and "business-related" lobbyism has showed no less influence on politics than the "family" relations the president has with his closest entourage. What is meant is that, say, the arguments given by the Tatarstan president or the head of the Olbi concern in support of signing a certain edict can be (and often have been indeed) for the president no less significant that the opinion of the head of his security service.

The Tune of Lobbyism: One Should Know How To Play From the Right Music

On the eve of the election, regional leaders and big business representatives are increasingly starting to realize what their lobbyist potentials are. A Kremlin official, depicting the current situation to your KOMMERSANT-DAILY correspondent, said: "No regional leader goes to the Kremlin now without several prearranged papers in his pocket. Depending on the situation, the appropriate one is taken out. They do manage to procure something this way." There is hardly anything new in this — at all times, nobody went to a tsar or general secretary without a petition. But whereas previously they were only asking for something, now — before the election — many of them have acquired grounds to make demands.

Naturally, the best way to achieve what one wants is to be received by the president personally. Leaders of Federation components are using these tactics actively. Sometimes, they are so active that presidential aides have to invent "psychological" barriers to moderate regional appetites. For instance, the spring package of edicts abolishing all kinds of privileges called off, among others, also those which were granted in 1993-1994 to some former autonomous provinces — presently republics — which had earlier, in troubled times, demonstrated their full understanding of the Russian president's policy. That decision has long been arousing envy in the no less loyal but not so highly favored regions, and was used as a pretext to pester the authorities according to a purely childish principle: "Gimme too." Certainly, the official abolition of privileges does not mean at all that the president has consigned to oblivion this important sphere of political influence: Subsidies to republics will simply be allocated via the budget now, and it will be much more difficult to understand who has received something and who has not. Hence, there will be less grounds for bearing a grudge.

If, however, the probability of getting into the closed presidential compartment is low, a serious person — whether a regional leader, a businessman, or a politi-

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cian — can use several other ways. One can try to gain access either to Filatov personally or to one of his deputies — Sergey Krasavchenko (economics) or Vyacheslav Volkov (political issues, and relations with regions and presidential representatives there). One can also attempt to arrange a meeting with an aide to the president: Viktor Ilyushin is the first aide and the most well in with Yeltsin; Dmitriy Ryurikov is nearly the only expert on international matters in the administration; Lev Sukhanov deals with everything a little, including culture, science, and sports (although, if it comes to sports, it is still better to contact Shamil Tarpishchev); and Anatoliy Korabelshchikov, who is in charge of internal politics and regional problems. Finally, there are "doves-liberals" — Aleksandr Livshits, economics; Yuriy Baturin, security; Georgiy Satarov, relations with the Federal Assembly and parties; and Mikhail Krasnov, legal problems. Mark Urnov — whose analytical directorate is working virtually in all leading areas of state politics and economics — is in the same row. Added here should also be Boris Kuzyk, the president's aide on military and technical cooperation with foreign countries.

To solve economic problems, a run over to the government and the parliament could be no less productive. This includes Viktor Chernomyrdin, all of the "significant" government members, Vladimir Shumeyko, Ivan Rybkin, and those regional leaders who are well-received at the Kremlin. In addition to the already mentioned high- ranking politicians and, naturally, Aleksandr Korzhakov, their aides and heads of administration units — i.e., mid-level civil servants who are capable of "presenting well" an idea to their chiefs — should be ascribed to the cohort of people that can be "worked on."

Certainly, every initiator of an edict must know well what he wants and who of the para-Kremlin entourage might want the same thing. For instance, it is not worthwhile to contact Livshits with a proposal to stop privatization of "Ostankino" and to revoke the edict on the abolition of foreign trade privileges, or to propose Soskovets to bring "Rosvooruzheniye" [Russian arms trade unit] under the Defense Ministry's jurisdiction or to take Yuriy Luzhkov into the Russian government. They could fail to understand this. True, there are some advantages in the rare heterogeneity of the edict-generating medium: If you have been ill-understood by Soskovets, you can well go with the same idea to Chubays. And vice versa.

Initiative Is Punishable. But There Can Be Exceptions, Too

Let us leave alone the deplorable cases, when edicts are signed as if "off-the-cuff" (the most illustrative examples of this style were "attacks" on the Moscow mayor in December 1994 and this March, when — as well-informed people say — the decisions on dismissing the heads of the Moscow Counterintelligence Service, Internal Affairs Directorate, and Prosecutor's Office were made after a 15- minute talk between interested persons and the president). Let us also give up "burning" edicts, such as the classified one on Chechnya — which bears the minimal number of endorsements, and those which are there are kept secret, too. Usually, draft edicts can be divided into purely lobbyist and "state-oriented" — so to speak, politico-constitutional — ones. The latter are born within the bowels of the administration — the Analytical Directorate, State Legal Administration, presidential aides' services, Security Council commissions, the government, etc. The abundance of "constitutional" edicts is due to the gaps in Russia's legislation, which the parliament is not rushing to fill up.

Any draft edict must be cleared at the corresponding agency. In principle, each of the agencies can turn it down. The draft is obliged (letting alone the exceptions) to be appraised by experts at the State Legal Administration and, if it deals with economics, at the government too. There has been a long discussion in the administration and in the government as to who should be responsible for the observance of rules of the game. Not so long ago — in early May — this was finally established: Those who initiate an edict have to see to it that it should have all relevant endorsements.

It is not enough to invent a draft edict — one has to persuade others of its necessity. As a rule, "epoch-making" drafts (those setting the main political and economic priorities) emerge at the very top, next to the president, being generated by people who can communicate directly with Boris Yeltsin. The idea is discussed with him, and, if the president sanctions it, the edict-making machinery gets started. As a rule, it is the initiator of the draft (if precisely his concept is approved) who is tasked with its elaboration. Following this, his main objective is to be able to bring it again back to the president without alterations imposed.

Any draft is jeopardized by two factors — ideological rivals and the State Legal Administration (headed by Ruslan Orekhov), the latter, in the performance of its duties, considering itself an opponent to any edict-maker without exceptions. Yuriy Kalmykov, when he was justice minister, at a governmental meeting openly called the State Legal Administration "a new politburo," which

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attempts to revise everything. It is probably due to the fact that the State Legal Administration does not always confine itself to inspecting purely legal matters that even those bureaucrats-liberals who stand for the observance of all of the already established legal rules try to escape "Orekhov's flogging." For instance, according to KOMMERSANT-DAILY's information, Aleksandr Livshits, the father of the drafts of Yeltsin's famous edicts on measures for the unconditional fulfillment of the budget, and on the abolition of foreign trade and customs privileges, did not take the risk of sending them to the State Legal Administration and chose to come to an agreement directly with the president. It is difficult to judge in this case whether this is good or bad for the country, but it was surely good for the draft.

When a draft deals with appointments to some posts, the Council on Cadre Policy, headed by Filatov and Soskovets, joins in. It has the right to consider candidacies at the deputy minister level and to give its recommendations. These, however, are not always fulfilled; it is enough to remember the story about the appointment of Matvey Burlakov as deputy defense minister: The majority in the Council was "against," but Grachev, alas, was "for." In the situation with Lebed, too, the Council is not given much prominence: As is known, recommendations "for" or "against" will be given by Grachev and Kozyrev, whereas Lebed's letter itself and his report had made it to Yeltsin in a detour of a number of formal stages — personally through his aide Ilyushin. Nevertheless, the administration is praising the Council's performance very highly, although some rather high-ranking officials are dissatisfied with "the narrowness of scope." In their opinion, it would be good if the scope of the Council's activities included also ministers (the story about the unsuccessful choice of Vladimir Polevanov as the head of the State Property Committee and later as deputy chairman of the Control Directorate is usually given as an example) and heads of directorates and departments within the administration itself. In addition, an edict can be subjected to serious discussion (and subsequent reworking) at the President's Expert Analytical Council.

A conflict between the interests of various agencies can lead to the fact that, at the very last moment, a seemingly quite ready draft edict can be vivisected. Therefore, initiators of controversial drafts do their best to keep their intentions secret and not to let their potential enemies get prepared. For instance, the very structure of the administration had been born in terrible torment and the strictest secrecy — at least, from the press. Due to a leak two years ago, in disagreement with the principle of structural unity, which had been lobbied by Sergey Filatov (according to his draft, the head of governmental apparatus was to be subordinated — although indirectly — to the head of the presidential administration), in the final text of the edict the administration and the governmental apparatus were put apart: As Filatov himself said, the premier, who entered the president's room with "a newspaper in his hand," managed to win independence for Vladimir Kvasov, the then apparatus head.

Therefore, in the Kremlin, to talk about any edicts under preparation (unless they are of a purely political character, like, for instance, the one on combating fascism) is considered as not only bad style, but also the betrayal of the Motherland's interests. Most commonly, this concerns structural and cadre changes. The latest example of this kind was given by KOMMERSANT-DAILY not long ago: It dealt with restructuring the Kremlin information services, in the course of which presidential press secretary Sergey Medvedev managed to bring the press service away from Sergey Nosovets' agency. Medvedev's reaction to this publication was markedly negative — it seemed to him (to our mind, quite erroneously) that an attempt was being made to bring to naught everything he had succeeded in doing. Incidentally, Medvedev was quite right in one thing: In the struggle with opponents, "excavations" made by the press are very actively used both within the Kremlin and in governmental walls. Therefore, the saying "do not cry hello before you are out of the woods" is one of those most widely used by the Russian political elite.

Agrarians Not To Serve as Basis for Center-Left Alliance

LD0906132295 Moscow ITAR-TASS in English 1238 GMT 9 Jun 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, June 9 (ITAR-TASS) — The electoral alliance "Agrarian Party of Russia" (APR) is open to cooperation with all organisations who share its aims, but it will not serve as the basis for Ivan Rybkin's centre-left alliance, APR leader Mikhail Lapshin told a press conference today.

He confirmed that the "Regions of Russia" movement which elected State Duma Speaker Ivan Rybkin its chairman on Thursday, will join the APR electoral alliance.

Lapshin admitted that the APR leadership had reacted with bitterness to news of Ivan Rybkin's election as the leader of "Regions of Russia", but then the APR board recognised that the Duma speaker's activity was not at variance with the party rules, and subsequently agreed to incorporate the "Regions of Russia" movement in the APR electoral alliance.

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The APR alliance already brings together seven trade unions and the Union of Cossacks of Russia, Lapshin said. The agrarian leader described as futile attempts to create a centre-left alliance "on order from above."

As is known, Ivan Rybkin was elected leader of the "Regions of Russia" movement at its conference on Thursday. His predecessor Vladimir Medvedev, who also headed the group "New Regional Policy," had withdrawn from the movement "Regions of Russia" before the conference. His resignation came after the Union of Oil Industrialists of Russia which he heads decided to back the pro- government bloc "Our Home is Russia".

Rybkin Consents To Run as Agrarian

LD0906192195 Moscow ITAR-TASS in English 1732 GMT 9 Jun 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow June 9 (ITAR-TASS) — The project of forging a centre left electoral bloc, the Yeltsin-prescribed task for State Duma Chairman Ivan Rybkin, has experienced another twist.

Instead of making an alliance of several parties, which have in fact accepted his leadership, Rybkin made an unexpected maneuver. He gave his consent to run in future elections with the Russian Agrarian Party (RAP), obviously in the hope of making it the centre of the bloc.

The events unfolded as follows. Rybkin was elected chairman of the Regions of Russia movement at its second conference on Thursday.

He took the chairmanship over from Vladimir Medvedev, a leader of the Russian Union of Oil Producers, who decided to join the Chernomyrdin-led pro-government movement Russia - Our Home. Recent defections from the oil producer movement had left it with too few figures of weight to rely on Regions of Russia as a future locomotive of the centre left alliance.

This appears to have motivated Rybkin to choose the RAP, in which he is still a board member. Rybkin said in a statement, after a heated caucus of the RAP board, that the centre left bloc was "possible only on the base of the RAP".

However, the RAP's chairman Mikhail Lapshin made it clear a day later that the Russian Agrarian Party does not want to be a hub in the centre left bloc.

He said the RAP electoral bloc already existed and would comprise trade unions, the Cossack Union and Regions of Russia led by Rybkin.

It is uncertain whether Rybkin's decision to stay with the RAP is final.

Pre-election bargaining will obviously continue, and it will most likely revolve around a "central list", or the federal list of nominees from Moscow's leaders, not of Russian regions'.

The new election law restricts the list to 12 candidates, and leaders of electoral blocs will understandably seek a place on it. The pre-election bargaining will be growing tense with more candidates for the list.

For this reason Mikhail Lapshin, consenting to host Rybkin with his Regions of Russia in the agrarian bloc, will hardly accept any more groups which had sought alliance with Rybkin. Many of those groups are unlikely to be as eager to run in the elections with the agrarian party.

Therefore, the fate of the centre left coalition which was about to emerge under the colours of the State Duma chairman is obscure so far.

The seekers of alliance with Rybkin's bloc were the Russian Independent Trade Union Federation, Russian Allied Industrial Party, Union of Realists, My Fatherland, and Russian Social Democratic Union, the bulk of which is the Russian Social Democratic Party chaired by Vasiliy Lipitskiy.

Obviously, none of these movements are keen on alliance with the Agrarians. It follows that they will either form their own bloc minus Rybkin or Rybkin will sooner or later quit the Agrarian Party. The nearest months will show his choice and workings in the centre left portion of the political spectrum.

Constitutional Court May Halt Chechnya Combat Operations

LD1006160795 Moscow INTERFAX in English 1337 GMT 10 Jun 95

[FBIS Transcribed Text] MOSCOW, June 10 (INTERFAX) — Russia's Constitutional Court is likely to urge President Yeltsin to suspend the decree which gave the go-ahead to combat operations in Chechnya. Informed sources in the Constitutional Court told INTERFAX it will do so if the inquiries on the constitutional compliance of the decree, sent to the Constitutional Court by both houses of the Russian parliament, are accepted for consideration.

In fact, this should be understood as a proposal that combat operations in Chechnya be terminated pending the constitutional proceedings.

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A source told INTERFAX that the Constitutional Court's right to such a measure is envisaged in the law on the Constitutional Court.

He also said that "judges can only initiate proposals on suspending the disputable decree in cases of emergency."

At the moment, two judges are analyzing two identical inquires from the State Duma and the Federation Council. Following this mandatory procedure, the conclusion will be made whether the Constitutional Court will accept the inquiries for consideration.

The term reserved for preliminary consideration is 2 months. Constitutional Court Chairman Vladimir Tumanov had stated earlier, that in this particular case the term might be cut down as an exception.

Yakunin on Elections, Chechnya, Yeltsin

954F2416A Chelyabinsk CHELYABINSKIY RABOCHIY in Russian 29 Apr 95 p 8

[Interview with Gleb Yakunin, deputy of the State Duma, by Ye. Frantseva; date not given: "'It Will Be an Enormous Tragedy If Yeltsin Runs for Reelection....'"]

[FBIS Translated Text] Gleb Yakunin, deputy of the State Duma, acquired the specialty of biologist at the Irkutsk Agricultural Institute. At the turn of the 1960's he devoted himself to religion. He soon joined actively in civil rights activity. In 1965, together with his priest N. Eshliman, he sent N. Podgornyy and Patriarch Aleksiy I a letter protesting the persecution of the church. The result was a ban on his becoming a priest. G. Yakunin worked as a lay reader, acolyte, and watchman and continued his civil rights activity. In 1979 Yakunin was convicted under Article 70 of the RSFSR Criminal Code (18 months in Lefortovo Prison, three years six months in Uralsk Political Camp 37, two years six months in exile in Yakutia). He was rehabilitated in 1991. The founder of The Church for Perestroyka movement and a member of the International Federation for Observation of Compliance With the Helsinki Agreement.

Since the very start of the Democratic Russia movement Gleb Yakunin has been a cochairman of Democratic Russia and the party of the same name. He was a participant in the Fourth Democratic Russia Congress held recently in Chelyabinsk.

[Frantseva] Gleb Pavlovich, everyone remembers the role of Democratic Russia, which brought the present president of Russia to power. Then a departure into nonexistence, virtually, or, rather, handover of the main role to Russia's Choice. And today—a clear statement of Democratic Russia concerning a stimulation of its activity and an abrupt move into opposition to the president. This is not fortuitous, of course?

[Yakunin] When, in 1991, we were miraculously victorious, we expected a revival. But this did not occur. Unfortunately, there is no sphere in which the reforms have been seen through to a conclusion and in which the least success has been achieved. The reforms, if they have not failed, are on the verge of complete collapse.... This was a reason for our switch to opposition to the president.

Democratic Russia was the additional charge fed into Russia's Choice. When the war in Chechnya began, the democratic forces around Yeltsin could have influenced him such as to have prevented the military conflict growing. Yes, both Russia's Choice and other democratic parties and movements were dealt a mighty blow by the events in Chechnya. Their representatives, who have been interspersed in the power structures—in both the Office of the President and in the government and the executive structures locally—supported the president. It seemed to us, however, that the members of the government from Russia's Choice at least should have demanded that B. Yeltsin immediately terminate the fratricidal war, up to and including an announcement of his resignation. Such pressure was, I repeat, not exerted. The response of Ye. Gaydar was very feeble also. Those, however, who occupy both a more reformist position and, most important, have adopted a clear position on the issue of the Chechen conflict remained in Democratic Russia. And this also served as a reason for our departure into opposition to the president.

[Frantseva] What are your forecasts concerning the Chechen events?

[Yakunin] The war in Chechnya will evidently become a guerrilla war. The passes will open in summer. Across these from Azerbaijan, Georgia, and Abkhazia the penetration into Chechnya of weapons and fighters will be feasible. In addition, there are instances today at the guard posts of soldiers and officers letting freight into Chechnya for a certain payment without inspection and of selling the combatants weapons even.... It may be assumed that by the time of the arrival of President Clinton and the leaders of the Western powers for the May celebrations in Moscow, our power ministry people will have tried, having shed a sea of blood, to have completed combat operations in Chechnya. But the war will not end there, all the same.

[Frantseva] What do you consider the main thing for the democratic opposition on the threshold of the parliamentary and, then, the presidential elections?

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[Yakunin] Our main task is to strive for the maximum unification of the democratic forces. And the fact that we are holding a congress here, in Chelyabinsk, is symbolic. For the political ambitions and political arrogance there, at the top, are preventing us holding meetings and uniting. Yavlinskiy, Gaydar, Boris Fedorov—each of them swears that he is ready for unification, but this is not actually happening. And will not happen, it may be expected, before election day.

Yet it is essential today to create the broadest blocs both in terms of the composition of the slate and in the majority constituencies. We need to hold political ambitions in check and seek to ensure that as few democrats as possible be nominated in one constituency to prevent the atomization of the forces of the constituents in order not to lose the elections. We should expect at the forthcoming parliamentary elections a huge number of competitors both in the right part of the political spectrum and in the left.

[Frantseva] In what kind of broad bloc is Democratic Russia prepared to take part in the elections and which of the possible presidential candidates among those who have already announced their intentions are you prepared to support?

[Yakunin] We believe that the democratic blocs that are being formed in the regions, and this is happening more easily here, it would seem, should concern themselves with nominating single candidates in the majority constituencies. It is already obvious that the democrats will not go to the elections as one slate: there is the democratic opposition, there are also democratic movements loyal to the government. We are prepared to support G. Yavlinskiy, but the dialogue with him is not proceeding successfully. Will we find a common language with Ye. Gaydar? It is hard to say. But we will endeavor to ensure that there be, in any case, as few slates as possible. It is as yet too early to say whom we will support at the presidential elections.

I believe that it will be an enormous tragedy if B. Yeltsin runs at the presidential elections. We need to make every effort to ensure that Boris Nikolayevich not run. But this is still a probability, unfortunately.

[Frantseva] Are your relations with the church difficult, as before?

[Yakunin] The relations are very difficult. Because I have repeatedly called the attention of the authorities and the public of Russia to the fact that the leadership of the Moscow Patriarchate is one of the principal exponents of the reactionary ideology of Nazism and fascism. After the rehabilitation, ecclesiastical included, it is only in a nightmare that I could have dreamed that I would once again, with the "good" will of the patriarch and the episcopate on this occasion, suffer harsher repression—be defrocked. [end Yakunin]

From an open appeal of Father Gleb Yakunin to President of the Russian Federation B.N. Yeltsin of 21 March 1995:

"It is still a prevalent myth here that the Moscow Patriarchate stands in the line of the unbroken 1,000-year succession of the Orthodox Church. In actual fact, the Moscow Patriarchate is an organization created by I. Stalin in 1943 as a subsidiary of the CPSU Central Committee and the MGB, to which he gave the national name 'Russian [Russkaya] Orthodox Church.' The true historical Orthodox Church in Russia was always called Russian [rossiyskaya].... The totalitarian structure created by Stalin—the Moscow Patriarchate—was of one flesh with the Stalin regime: The patriarch is leading believers in authoritarian fashion, expropriating believers' entire property to the benefit of the Synod, rejecting completely conciliarism, the electivity of the priests and senior clergy, and the freedom of difference of opinion inherent in world and Russian Orthodoxy...."

From an open letter to His Holiness Aleksiy II, patriarch of Moscow and All Rus, of 14 February 1995:

"The synodical 'blessing' of the mass bloodshed in Chechnya repeating the loyal zeal of the patriarchate at the time of the Soviet expansion in Afghanistan reveals the true meaning of the agreements on cooperation you concluded last year with the ministers of defense and internal affairs. Where is the Christian influence of the church on the army? Where is the evangelical enlightenment of the servicemen? Where are if only the clergy ministering to the wounded and dying in this war? Have you, Your Holiness, called on the inveterate liars Grachev and Yerin, who are prosecuting the criminal war, for repentance or stopped them by your formidable pontifical word? No. The war party needed the agreement with the patriarchate merely to consecrate its iniquitous policy....

"The same day that the dogs on the streets of Groznyy were gnawing at the corpses of Russian soldiers, you in Moscow were solemnly consecrating the site of the construction of the Church of Christ Savior, a monument to the overweening ambitions of the Moscow Patriarchate. The cynicism and inopportune nature of this ceremony speak for themselves: When thousands of Russians citizens are dying, the Russian Orthodox Church, having in no way honored the millions of martyrs of the communist terror, having opposed the construction of a memorial of remembrance to the victims of political repression in Yekaterinburg, and ashamed to canonize all the new Russian martyrs, is

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building, attempting to pick the pocket of the already indigent taxpayers, a giant new complex in pseudo-Orthodox style devoted to the heroes of the far-off war of 1812, profitably combining in it a fake 'symbol of penitence' with a parking garage for hundreds of vehicles, a restaurant, shower-baths, stands, and a business center. Instead of true penitence....an imitation of it. Stones instead of penitent hearts...."

[Frantseva] Gleb Pavlovich, you are today accusing the patriarchate of a reluctance to repent and have made public much of its activity in the period of Stalinism and now. But in our complex, difficult times the church is for many people the sole refuge and comfort. In shaking faith in the priesthood, are you not robbing those who truly believe of their habitual innate devotion to the church?

[Yakunin] There were disorders and even outrages in church life in past ages also. Nonetheless, the bulk of people believed. I think that knowledge of negative facts from the life of the leadership of the church is not an obstacle to church-going because people separate the grace and divine religious life of the church from human shortcomings and sins and from what is of a temporal, human nature.

Prosecutor Launches Investigation of Police-FSB Shootout

LD0906150095 Moscow INTERFAX in English 1349 GMT 9 Jun 95

[FBIS Transcribed Text] MOSCOW, June 9 (INTERFAX) — On Friday morning the criminal case launched over Wednesday's shoot-out between police and Federal Security Service officers was moved from the military prosecutor's office of the Moscow Military District to the investigation department of the office of Russia's Prosecutor General, Russia's Chief Military Prosecutor Valentin Panichev told INTERFAX. The evidence and video tapes of the incident made by two cameras belonging to Security Service members were transferred with the case.

Wednesday's shoot-out took place on Moscow's Profsoyuznaya Street. Policeman Aleksey Sukhorukov, who was on probation, was killed in the incident. Senior Police Sergeant Sergey Yesaulkov, Major Sergey Myagkov of the Security Service and one of his colleagues were wounded. Each side in the incident maintains that the other department was the first to open fire.

The criminal case connected with the shoot-out and the policeman's death was launched Wednesday by the prosecutor's office of Moscow's Cheremushkinskiy District. On Thursday the case was forwarded to the Moscow Military District.

According to the Federal Security Service version, which INTERFAX received from a well-informed source, the first shot was made by police "during the process of detaining a person for illegally holding uranium-containing materials." "At first Security Service members did not open retaliatory fire and tried to inform their attackers that they were law enforcers themselves," the source said. According to him, they resorted to arms only when one of their colleagues was wounded, and "the lives of the witnesses, the detainee and the detainers came under real threat."

According to the Security Service, the activity of its members was of a "purely official nature envisaged in criminal legislation, and it did nothing to provoke the policemen to use their arms."

The group of Security Service members was engaged in collecting evidence against persons guilty of stealing and holding uranium- containing materials of high concentration.

Media Issues

Yeltsin Vetoes Law on Privatization of TV, Radio

LD1006213695

[FBIS Editorial Report] Moscow Russian Public Television First Channel Network in Russian at 1420 GMT on 9 June carries a one-minute report on Yeltsin vetoing a federal law on privatization of TV and radio.

In a document sent to the State Duma, the president said that the law "On Special Procedures for the Privatization of State Television and Radio Broadcasting Organizations in the Russian Federation" dealt not with special privatization procedures, but only the possibility of the adoption of a federal law outlining the procedures.

The vetoed law breached the law on the privatization of state and municipal enterprises which outlines the privatization program. It also violated the Constitution which guarantees freedom of economic activities and freedom of mass media, the television added. Video shows general view of Yeltsin's message to the State Duma.

Journalists Demand Law on State Support for Mass Media

LD0906152095 Moscow ITAR-TASS in English 1324 GMT 9 Jun 95

[By Tamara Ivanova]

[FBIS Transcribed Text] Moscow June 9 (ITAR-TASS) — The secretariat of the Moscow Journalists Union has circulated a statement demanding the adoption and the

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putting into effect before the parliamentary recess of a law on the state support for the mass media. The statement expressed serious concern over the situation taking shape around the mass media and over the steady reduction of Russia's information space.

The publication of NEZAVISIMAYA GAZETA, NOVAYA YEZHEDNEVNAYA GAZETA, KURANTY and a number of provincial newspapers was suspended recently. Attempts are being made to limit radio and TV broadcasting, the statement said. As a result of all this, journalists become redundant, and society loses an opportunity to form an objective idea of what is going on in the country.

The secretariat of the Journalists Union regards as symptomatic the fact that, against the background of economic difficulties of the Russian press, the Federation Council refused to adopt a law envisaging tax and other privileges for the mass media. The federal executive bodies are in no hurry either to reduce economic pressure on editorial boards. In the opinion of leaders of the Journalists Union, a trend is becoming obvious: "To keep the press in a permanently suspended state, on the brink of bankruptcy, and to manipulate it in this way."

According to the Journalists Union, such tactics are "suicidal", especially with the elections coming. In conditions of information vacuum the chances of radical forces are growing. It is an illusory hope that "official mass media organs, which are on the payroll of the authorities and which are using propaganda methods of not so distant past, can neutralise their influence on the minds of the electors. Hundreds of billions of roubles from the taxpayers' pockets are being spent on those official mass media organs," the statement said.

The secretariat demanded the immediate adoption of a law on state support for the mass media and insisted on the urgent interference of the President, the Government and the Federal Assembly in the situation connected with the newsprint market, the transport and communication services, which are now controlled by monopolies. The statement stressed that they did not ask for budget allocations, they only want normal economic conditions for the mass media and the establishment of norms, which are in effect in all the civilised countries.

Chief Editor on KURANTY's Reappearance, Weekly Schedule

MK1006085095 Moscow KURANTY in Russian 10 Jun 95 p 1

[Article by Chief Editor Anatoliy Pankov: "Rumors of KURANTY's Death..."]

[FBIS Translated Text] Friends in need are friends indeed. This axiom once again proved true when trouble overtook our newspaper.... We apologize for having missed several days and for having been unable to bring you the latest news on events in the country and the world, or to give notice on the suspension of publication.

We could not have done so not because the financial difficulties that caused the interruption arose all of a sudden: like in all the newspapers and in all enterprises, they arose long ago. But we hoped to resolve them. We were convinced that our debt to the "Moskovskaya Pravda" publishing and printing complex had been paid off, and we even had copies of the bank documents in hand confirming the fact. But unfortunately, the money did not reach the receiving end. The printers refused to print us for the time being which we can understand, and here we raise no complaints (it is good enough that publication of at least one issue a week has been resumed).

I should say that friends of the newspaper — and those are, first and foremost, you, our dear permanent readers — have regarded the situation with understanding. Some propose to raise funds for their favorite paper, while others propose a meeting to protest the ruling regime's senseless policy toward the mass media.... True, there are people (not numerous, fortunately) who have angrily demanded their money back for the missed issues.

Rather indifferent to KURANTY's nonappearance were the powers that be, including those who owe their life and prestige to such newspapers as KURANTY. The only exception was our Press Ministry. Nor was the Russian press too sorry. Did they really think it was one competitor less? We thank the "Ekho Moskvy" radio station — from the very first day, it widely and objectively reported to its listeners on what was happening to our newspaper. Interest was shown by news agencies, Western mass media.

Some so-called democratic publications, reported, not without malice, it seems, that KURANTY [chiming clock] has had its last chime. NEZAVISIMAYA GAZETA (NEGA news agency) circulated a report that the "Aeroflot" bank was buying us (together with LITERATURNAYA GAZETA). The rumor was not launched accidentally, I believe — they want to "besmirch" us by alleging we are linked with a bank

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where a fascist organization opened its account. Even so, this is an imagined furor: a bank is a bank, and it, like a medical establishment, serves all comers. Indeed, no one gets hysterical about some accounts in Swiss banks. In which banks do the other fascist organizations or mafia-like structures have their accounts? Well, can this be a contract report intended to kill two birds with one stone: a rival bank and an undesirable, genuinely independent newspaper?

At any rate, it would not have been difficult for correspondents of that far and out independent newspaper to reach KURANTY's chief editor on the phone (I did not say no to anyone who asked me for an interview during those days) and find out about our position first hand rather than to rely on rumors, including those that have been spread by our "friends" virtually from the day the newspaper was founded. Some folks very much want to prevent our survival, our talks with potential partners in future business collaboration. We have always been in some people's way. Now, too, we are a thorn in their side.

It is general knowledge that virtually no sociopolitical newspaper is in a position to exist independently. Like nearly all the other papers, we are conducting talks with well-established firms that could help us survive in these difficult times. So, we are hoping to continue to exist. For the time being we will, unfortunately, publish weekly.

Military Issues

Lebed Denies Being Offered Position With Border Guards

LD0906183095 Moscow ITAR-TASS in English 1824 GMT 9 Jun 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] CHISINAU, June 9 (ITAR-TASS) — Commander of the 14th army Aleksandr Lebed denied mass media reports that he was allegedly offered a high-ranking position in the border-guards.

In an exclusive interview with ITAR-TASS on Friday, Lebed said "I will not make a good border guard, and I will refuse such offer even if it is made."

Lebed still believes that until the Dniester conflict is settled, the reform of the 14th army scheduled by the Russian Defense Ministry can only lead to the plunder of armaments stockpiled in the region and a new outbreak of war.

Federal Assembly

State Duma Proposes Peace Plan for Bosnia

LD0906164495 Moscow INTERFAX in English 1514 GMT 9 Jun 95

[FBIS Transcribed Text] Moscow, June 9 (INTERFAX) — The State Duma passed a declaration Friday "On Russia's Position at This Stage of the Balkan Crisis and Initiatives for a Bosnia Settlement" which in effect is a peace plan for Bosnia.

The first stage of this plan proposes that the Bosnian Serb Republic "cease all hostile activities against the U.N. peacekeeping force, release the hostages and move heavy weapons to the armament hand-over sites." Simultaneously a moratorium is to be imposed on NATO air strikes against Bosnian Serb positions, the Moslem enclaves are to be demilitarized and control over illegal arm supplies to the Moslem-Croatian Federation is to be tightened.

Subsequently, an indefinite truce is to be concluded between the Bosnian Serbs and the Moslem Croatian Federation. Those who violate it "would be strictly dealt with by the world community."

The Bosnian Serbs are to agree to discuss the U.N. contact Group's map of Bosnia's and Herzegovina's territorial division, and are to discuss the constitutional structure for Bosnia and Herzegovina.

When the map and the constitutional structure are agreed to and territories are exchanged, the units of the Bosnian Serb Republic and the Moslem-Croatian Federation are to disengage "at an agreed distance" but largely remain in their present positions while peacekeeping forces take up the "buffer zones".

Once the map and the constitutional structure of Bosnia and Herzegovina are agreed, the Union Republic of Yugoslavia is to recognize this settlement and all international sanctions against the Serbs are to be lifted.

The State Duma expressed the hope that the international community and the Russian president would give in-depth attention to this initiative.

The declaration expressed the opinion that the recent decision of the conference of NATO countries defense ministers on creating a 10,000-strong rapid-reaction force, "presents a special danger" and is aimed "at gradual replacement of U.N. peacekeeping forces in former Yugoslavia with NATO forces."

Deputies also expressed concern over statements by Russian Foreign Minister Andrey Kozyrev about possibly adding Russian soldiers to the rapid-reaction forces.

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Authors of this document believe that "this would be Russia's third mistake in the Yugoslavian settlement, after the approval of the anti-Serb sanctions and permission to bomb Serb positions by NATO aviation." The State Duma recommended Russian diplomacy "toughly oppose any build-up of NATO presence in former Yugoslavia."

State Duma To Debate Foreign Ministry Activities

LD0906144395 Moscow INTERFAX in English 1330 GMT 9 Jun 95

[FBIS Transcribed Text] Moscow, June 9 (INTERFAX) — The State Duma will debate in a closed session shortly the activities of the Foreign Ministry and its head Andrey Kozyrev. The State Duma carried a Communist motion to this effect in a 247-5 vote with one abstention.

Leonid Petrovskiy, MP, who spoke on behalf of the Communist group said that the Russian foreign policy failed on numerous occasions, the ministry's highly skilled personnel quit the job while the ministry pursued a pro-American policy making sporadic attempts at dissociating itself from this course.

Duma Overrules Yeltsin Decision on Elections

LD0906121895 Moscow ITAR-TASS in English 1128 GMT 9 Jun 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow, June 9 (ITAR-TASS) — The federal law "Concerning elections of the deputies of the State Duma" turned down by President Boris Yeltsin was again approved by the lower house of the Federal Assembly of the Russian Federation on Friday.

The final text of the law, which incorporates the proposals put forth by the conciliatory commission of the two chambers of the Federal Assembly, was approved by a vote in which 264 deputies voted in favour, 45 against, and three abstained.

Before the voting, Vladimir Isakov, co-chairman of the conciliatory commission made up of representatives of the president and the two chambers, informed the house about the results of the commission activity. Most of the commission members, he said, agreed that law should provide for equal numbers of deputies elected on party lists and in "winner take all" electoral districts, that is 225/225.

The commission also decided that "the core of the party lists, representing each party's "politburo" must not exceed 12 names. All the other candidates on the party lists should come from the regions."

Vladimir Isakov, who is also chairman of the Duma house committee for legislation, said the conciliatory commission had proposed a change to the law stipulating that a candidate contesting a seat in the lower house both on a party list and individually must collect signatures in his "majority" district. If the candidate succeeds in collecting the required number of signatures in his "winner take all" district, the number of the signatures shall be added to the votes scored by the party on whose list the candidate runs. According to Vladimir Isakov, this would allow to avoid doubling the collection of signatures.

Commission members agreed to Yeltsin's proposal for changes in clause one of article 44 which earlier provided for the resignation of the candidates from state or municipal service offices or mass media posts upon registration for the duration of the election campaign.

The new edition of the law says that irrespective of the post occupied any candidate is forbidden to use the benefits of his office (such as access to television or other media).

Vladimir Isakov said that, to his mind, commission members succeeded in persuading the president's representatives that the two-round elections proposed by the head of state was "impractical in the present conditions," and the fifty percent turnout required to validate the elections, "will lead to (a situation in which) the elections will simply flop."

"We hope that the president's representatives will manage to persuade Boris Yeltsin to revoke these proposals," Isakov said.

The commission decided to hold joint parliamentary hearings on June 13 in which the leaders of the Duma factions and members of the Federation Council will take place. In the course of the hearings, Duma officials will tell Federation Council members about their viewpoint on the law. According to Isakov, this will serve as an additional factor securing the approval of the law by the upper house of the Federal Assembly.

Speakers representing all Duma groups addressed the house after Vladimir Isakov. They voiced critical remarks concerning the latest edition of the document but on the whole spoke in favour of its approval by the house.

Deputies Comment on Passed Election Law

MK1006090095 Moscow SEGODNYA in Russian 10 Jun 95 p 2

[Report by Petr Zhuravlev in the "Lawmakers" column: "The State Duma: 'No More Retreating.' The Compro-

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mise on the Election Law Suits the Majority But Not All"]

[FBIS Translated Text] The reworked version of the law on elections for deputies of the lower house, adopted by the State Duma, at first glance differs little from the version once rejected by the Federation Council and the president.

Vladimir Isakov (Agrarian Party of Russia), chairman of the Duma conciliation commission, said yesterday that during the commission's work three ballots were held on the question of changing the existing proportion between the number of deputies elected according to the majority and the proportional representation systems. All three times, according to Isakov, eight of the Duma's 12 representatives in the commission voted against the 300:150 correlation; therefore, the opponents — emissaries of the Federation Council and the president — had to make concessions. As a result, the 225:225 correlation will stay in the law. Nonetheless it now says that party lists will necessarily be divided into regional groups, while the number of candidates who do not represent the regions (the so-called "central" part of the list) may not exceed 12. This "move toward the Federation Council," Isakov believes, "does not change the logic of the election system."

None of the commission members supported the president's proposal to hold elections in two stages or to raise the voter turnout quota from 25 percent to 50 percent. One round and 25 percent have remained unchanged in the law.

On the president's demand, Part 1 of Article 44, prescribing civil servants and journalists in the event of their registration as deputy candidates to suspend their duties, was excluded. The following formulation was adopted: "A candidate may not use the advantages of his official position in the interests of his election." Vladimir Isakov agreed that this norm is somewhat generalized, but noted that it is difficult to make it more specific.

And finally, the provision whereby candidates running on a party slate and in a local constituency at the same time need not raise signatures in their constituency in order to register, was dropped. Now they are obligated to do this, but the signatures they have raised (1 percent of the total number of constituents, or approximately 5,000) can be included into the party's "bank," with 200,000 signatures needed to register the party list.

Representatives of the factions Yabloko, Women of Russia, and the Democratic Party of Russia (Sheynis, Zavadskaya, and Zatulin), speaking at the session yesterday, specially noted that the main thing the Duma part of the conciliation commission had accomplished was to preserve the 225:225 ratio. Communist and agrarian representatives (Lukyanov and Kulik) fully supported the commission's "compromise" decisions, stressing that "there must be no more retreating." The law as amended was also supported by Yegor Gaydar (Russia's Choice), who nonetheless had "serious doubts" about the provisions on the need for candidates contesting constituencies and running on party lists to raise signatures, and on the abuse of official position.

These propositions were also challenged by a Party of Russian Unity and Accord representative (Nikonov), who also declared his party's commitment to the 300:150 formula. New Regional Policy, as represented by its leader Vladimir Medvedev, also said this was a preferable option, although he reiterated a readiness for compromise. Vladimir Zhirinovskiy, who made the longest presentation, once again anathematized the incumbent power establishment and the "aborted" democracy. According to him, "the amendments make no difference" because "225 'single-seaters' will continue harassing the entire parliament anyway" (the Liberal Democratic Party of Russia leader favors a proportional representation system). Nonetheless, Zhirinovskiy called on his associates to support the law.

It needs to be noted that yesterday's debate around the election law, just like many other debates in recent weeks, was extremely civilized. One can only hope that the next Duma will take less time to achieve it.

Duma Points to Constitutional Contradictions

LD0906164895 Moscow INTERFAX in English 1349 GMT 9 Jun 95

[FBIS Transcribed Text] Moscow, June 9 (INTERFAX) — The State Duma has decided to ask the Constitutional Court to clear up the interpretation of the section of the constitution concerning the division of state power in Russia into legislative, executive and judicial bodies.

Chairman of the State Duma's Security Committee Viktor Ilyukhin (author of the request) and member of the State Duma's committee for legislation Anatoliy Lukyanov (both Communist) were asked to represent the State Duma in the Constitutional Court.

The request says that the Constitution does not describe the president as being part of any branch of power, although the Constitution says that state power in the Russian Federation is administered on the basis of separation into legislative, executive and judicial authorities.

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The authors of the request say that this arouses uncertainty about the legal status of the Russian president, and they ask the Constitutional Court to explain whether the president has the right to interfere in areas of competence of legislative, executive and judicial authorities in order to ensure their cooperation.

The Constitution's provision on the independence of legislative, executive and judicial bodies (article 1), according to the authors of the request, runs counter to paragraph two, article 95 of the Constitution which says that half the Federation Council must consist of representatives of executive authorities of the Russian Federation. The State Duma is asking the Constitutional Court to make an official judgement on whether these two provisions of the Constitution are compatible.

Margin To Strip Deputies of Immunity Lowered

LD0906165195 Moscow INTERFAX in English 1428 GMT 9 Jun 95

[FBIS Transcribed Text] Moscow, June 9 (INTERFAX) — The State Duma has lowered the clearance margin required to strip a State Duma member of immunity from 300 votes (two-thirds) to 226 votes (50% of Duma members). The motion by the Security Committee Chairman Viktor Ilukhin (Russia's Choice) was supported by 268 deputies.

Ilukhin recalled that under paragraph 3, article 103 of the Russian constitution, State Duma resolutions are to be adopted by a simple majority of the house's membership except for those cases when the Constitution requires otherwise. The procedure of stripping a Duma member of immunity is not set by the Constitution, but is laid down by the Duma's rules of procedure, which will now be amended accordingly.

Further on Deprivation of Immunity

LD0906171595 Moscow ITAR-TASS in English 1518 GMT 9 Jun 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow, June 9 (ITAR-TASS) — The lower house of the Russian parliament has simplified the procedure of depriving a deputy of parliamentary immunity. The State Duma on Friday introduced a corresponding amendment to its regulations, proposed by Chairman of the Duma Security Committee Viktor Ilyukhin.

From now on, the relevant article of the regulations stipulates that "a deputy may be deprived of his immunity on representation of the Russian Prosecutor General, on the basis of a conclusion of the Duma Mandate Commission, by decision of the lower parliament chamber, in case the overall majority of deputies vote for this decision."

The previous edition of this article read that a deputy may be deprived of his immunity in case two thirds of the overall number of deputies vote in favor of this decision.

President's Right To Interfere Questioned

MK1006103095 Moscow SEGODNYA in Russian 10 Jun 95 p 2

[Report by Gleb Cherkasov under the "Demands" rubric: "The Duma Has Simplified the Mechanism for Depriving Deputies of Immunity. The Constitutional Court Is To Determine the Status of the President and That of Half the Federation Council"]

[FBIS Translated Text] In a second attempt, the State Duma amended its own standing orders yesterday so as to reduce the quota of votes required to deprive a Duma member of deputy's immunity. From now on, the number of votes necessary to cancel parliamentary immunity is 226 (as compared with 300 formerly). Some 268 deputies voted for the proposal submitted by Security Committee Chairman Viktor Ilyukhin. The Liberal Democratic Party of Russia's faction was energetically against amending the standing orders.

Having given itself a "gift," the Duma did not fail to show its consideration for the Federation Council and the president, too. As suggested by Ilyukhin, the Federal Assembly's lower house decided to make an interpellation to the Constitutional Court on the interpretation of the Russian Federation Constitution in the part dealing with the principle of dividing state power in Russia. The interpellation notes that, by the Constitution, the country's president does not belong to any of power branches, although the same Main Law emphasizes that "state power in the Russian Federation is executed on the basis of dividing power into legislative, executive, and judicial aspects." The interpellation's authors ask the Constitutional Court to establish "whether the Russian Federation president has the right to interfere in the domains of legislative, executive, and judicial power bodies in order to ensure coordination of their activities." The authors also have doubts as to the principles of forming the Federation Council. Constitutional judges will have to give an answer as to whether representatives of executive power can be members of the Federation Assembly's upper house.

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Federation Council Session Agenda Detailed

LD0906181095 Moscow ITAR-TASS in English 1617 GMT 9 Jun 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow, June 9 (ITAR-TASS) — The upper chamber of the Russian parliament included in the agenda of its regular June 14 session, on request of the president, the question of prolonging the participation of the Russian military contingent in the peace-keeping operation in the Georgian-Abkhazian conflict zone.

ITAR-TASS was told at the chamber apparatus that deputy Foreign Minister Boris Pastukhov, an official presidential representative, will put forth the justification of extending this action.

The Federation Council will consider the peace-keeping activity of Russian citizens in greater detail in connection with the discussion of the law "On the Order of Granting Military and Civilian Personnel by the Russian Federation for Participation in Peace-Keeping Activities in Support of International Peace and Security," submitted by the State Duma, earlier overruled by the president.

The Federation Council will examine a number of other laws adopted by the lower chamber of the parliament, including socio-economic ones. It will consider for the second time the possibility of raising the minimal amount of pensions, and approve the budget of the Russian social security fund.

Since the State Duma on Friday has adopted the new version of the law on elections to the lower chamber of the parliament, prepared by the Conciliatory Commission, it will apparently be included in the agenda of the Federation Council session for approval or repeated turndown.

It is planned to hold parliamentary hearings on the eve of the session, on Tuesday, to work out the upper chamber's positions in advance. Previously, it has categorically rejected the idea of equal proportion of Duma deputies elected from parties and single-mandate districts.

Committee Chief Critical of Budget Policy

MK1006113095 Moscow SEGODNYA in Russian 10 Jun 95 p 2

[Report from Yekaterinburg by Irina Vladykina under the "Budget" rubric: "Mikhail Zadornov Does Not Share Government's Optimism. In His Opinion, Hopes for the Easing of Inflation and the Revival of the Economy Are Unfounded"]

[FBIS Translated Text] The meeting of fiscal and budget committee heads at Russian Federation components' representative power bodies, which opened 9 June in Yekaterinburg, focused its attention on problems of budgetary legislation — the concept for the 1996 Russian Federation budget; and relations between federal, regional, and local budgets (methodology and practical use of transfers). The state of the existing legislation on budgetary arrangements in the Russian Federation was also discussed.

Mikhail Zadornov, chairman of the State Duma Economy Committee, told the audience (some 50 territories of the Russian Federation were represented) that he did not share the Russian Federation Government's optimism regarding the implementation of the country's budget. The inflation level, which amounted to 11 percent in February and 8 percent in May, in Mikhail Zadornov's opinion, was caused by several factors: The one of primary importance was the introduction of free prices on energy, which entailed a rise in prices for oil products by 200 percent since the beginning of the year, although prices for consumer good have risen by only 54 percent. Zadornov believes that the level of inflation will continue to be higher than the one calculated by the government for 1995.

Zadornov also regards as an exaggeration the government's statement that the economic recession in the Russian Federation is over "and the revival of economy can already be observed in this country." If one looks deeper into the situation in industry, he will see that only those branches linked with exporting their production — metallurgy and the chemical industry — have been revitalized. The government figure for the revenues collected for the country's budget in the first quarter of 1995 — 103 percent — in fact, is not indicative of a rise in industrial production, since taxes and customs duties as well as revenues from selling gold and oil account for 88 percent of this figure. As for expense items of the budget, according to Zadornov, the uneven financing of different branches is evoking concern. For instance, the financing of the agricultural sector and international activities amounts to 200 and 160 percent, respectively, of the planned figure, whereas defense industry is receiving only 41 percent of the funds planned. The financing of investments is also at the level of 49 percent. All of the social sphere branches are receiving about 68 percent of allocations planned. "As for financing of the war in Chechnya, we have finally managed to obtain operative information on expenses," Mikhail Zadornov said. "Here are the data available to us: Over the period since last year until March of this year, power agen-

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cies have received 1.9 trillion rubles; another 1.5 trillion rubles have been spent since the middle of May on the restoration of destroyed communications, and so forth. If one considers governmental proposals for next year, the approaches basically have not been changed. Projected inflation — 1 percent — in no way reflects actual reality. Therefore, the policy of underfinancing some branches will be hardly changed."

The State Duma committee sees its task in adjusting the budget in conformity with the actual reality and in finding new sources of income. In Zadornov's opinion, these include the collection of large tax debts — for instance, from Gazprom — as well as a reduction in the number of federal programs, strengthening of control over budget expenditures, alleviation of the foreign debt burden — which has become problem No. 1 today — and the formulation of the 1996 budget.

Lower House Adopts Draft Law on Self-Government

MK1006102095 Moscow SEGODNYA in Russian 10 Jun 95 p 1

[Unattributed report: "The Duma Has Adopted the Law on Fundamentals of Local Self-Government"]

[FBIS Translated Text] The State Duma adopted in a second reading yesterday the Law "On General Principles of Organizing Local Self-Government in the Russian Federation." There were 321 votes in favor of the law.

In accordance with this law, local self-government is to be instituted over the entire territory of Russia. The minimum guarantees for the execution of local self-government may not be lowered by any other standard acts. The draft law emphasizes that a municipal entity's border cannot be changed without taking into consideration the opinion of people living in the respective area. According to this law, a municipal head can be elected either by a representative body or directly by the people.

Law on Tougher Measures for Draft Dodgers Rejected

LD0906200395 Moscow INTERFAX in English 1845 GMT 9 Jun 95

[FBIS Transcribed Text] Moscow,. June 9 (INTERFAX) — The Russian State Duma rejected Friday a government-proposed draft law envisioning harsher punishment for those, including officials, who violate the law on military service.

Only 162 deputies voted for adopting the draft in its first reading, 226 votes were required for passing the bill, while 41 voted against and nine deputies abstained.

Colonel-General Vyacheslav Zherebtsov, deputy chief of the General Staff, who presented the draft law to the Duma, said that under the present law a person who does not come to the military registration and enlistment office has to pay a fine of 10 to 20 rubles. The same fine is imposed on an official who employs a person not registered at the enlistment office.

The government's draft law envisages raising the fine to 5 to 10 minimum wages.

Lyudmila Zavadskaya (Women of Russia parliamentary group), member of the Legislation Committee, said that most members of the committee did not like the draft law. She said fines can not be imposed on minors who do not have stable income.

Zavadskaya suggested that the Duma not "patch" the law now, but decide on the issue when the new Administrative Code is discussed in parliament. The Russian Justice Ministry is about to finish working on the code.

Tamara Zlotnikova, Yabloko group, called on the deputies "not to adopt any laws on military service until the Supreme Commander (President Yeltsin) comes to the Duma and gives an explanation for the war in Chechnya."

Duma Adjourns Hearing on Production Sharing Law

MK1006123095 Moscow KOMMERSANT-DAILY in Russian 10 Jun 95 p 1

[Report by Vadim Bardin under the "State Duma Plenary Session" rubric: "The Duma Has Decided To Reread the Draft Law on Production Sharing"]

[FBIS Translated Excerpt] Yesterday's second parliamentary reading of the draft law "On Agreements Dealing With Production Sharing" in fact can be considered as not having taken place. Deputies unanimously turned down all of the amendments, including those approved by the Economic Policy Committee. As a result, it was decided that the second reading should be repeated.

The situation with the draft law, meant to legalize production sharing in Russia, can be regarded both as the struggle of political forces having different views on Russia's national interests, and as a conflict between differing opinions on how to control foreign investments. In fact, the Duma's attitude toward the draft law is a legal and political test of Russia's

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readiness for the large-scale use of foreign investments. [passage omitted]

One of the main sources of economic hazards for investors in Russia is incessant law-making. Probably one of the most attractive features of production sharing (both for foreign and Russian investors) is exactly the possibility of transferring tax payments from an administrative regime into the contractual sphere. Article 13 of the draft law specifies that during the entire term of the agreement on production sharing (up to 50 years), an investor is exempt from taxes, fees, duties, excises, and other obligatory payments existing on the territory of Russia, with the exception of profit tax and charges on using the depths of the earth. The collection of the above taxes and other payments is replaced by production sharing on terms specified in an agreement.

Production sharing creates a tax stability zone for investors, and in the area most attractive for them, too: It is no secret that, although in principle, production sharing can be used in various branches, in reality this mechanism will be used primarily in the oil and gas production industry. There are no reasons to fear an influx of foreign investments to mining industries. First, this means that not speculators but big investors will come to Russia — in earnest and for a long time. Second, the skill of Russian authorities should consist precisely in the ability to urge investors to move "away from oil" toward the development of its facilities for reprocessing, transportation, etc., in order to use the influx of investment into the fuel and energy complex to implement multi-branch projects of export-oriented industries.

Regional Affairs

Update on Battlefield Situation in Chechnya

Troops Encircle Dudayev Forces

LD0906143595 Moscow INTERFAX in English 1330 GMT 9 Jun 95

[FBIS Transcribed Text] GROZNYY, June 9 (INTERFAX) — Federal troops in Chechnya have completed encircling Dudayev's units in the areas under their control, a senior officer from the combined Russian troops command reported to INTERFAX Friday.

According to him, Dudayev's units have been split into four groupings: the Shatoy grouping, the Nozhay-Yurt grouping, the Bamut grouping, and a force in the Dargo gorge (the republic's east).

The Russian military reported that after the militants had been forced out of Vedeno and federal troops had taken over the corridor Serzhen-Yurt-Verkhatoy-Vedeno—and Kharachoy, "Dudayev's eastern grouping has lost its ability for organized combat actions."

Federal troops have over the past 24 hours overrun major areas southeast Chechnya on the border with Dagestan. "Thereby, federal forces have blocked militants, making it impossible for them to move out of the mountains and reach the plain in Chechnya's south," the source noted, adding that a group of militants in the area has been cut off from Dagestan, too.

Russians Kill 39 'Militants'

LD0906144495 Moscow INTERFAX in English 1331 GMT 9 Jun 95

[FBIS Transcribed Text] GROZNYY, June 9 (INTERFAX) — A senior Russian officer in Chechnya has reported major friction among the top Chechen military. He says that field commanders have decided to replace all Dzhokhar Dudayev's personal bodyguards because "They fear Dudayev may flee abroad."

Talking to INTERFAX Friday, the officer, who serves in the command of the United Group of federal troops, spoke with reference to Chechen sources.

He also reported that seven Russian servicemen have been wounded. However, none have been killed over the past 24 hours.

Meanwhile, federal troops have destroyed 39 militants, an ammunition depot, 6 fire positions, and 12 strongholds, and have captured a radio station, 6.4 kilograms of explosives, and 3,800 cartridges.

Law enforcement troops have routed several groups of militants in Groznyy. Seven Dudayev fighters were killed and three wounded. Two Kalashnikov guns, one grenade launcher, 112 hand-grenades and 502 cartridges were confiscated.

According to the source, traffic police have escorted 16 railway trains and have combed through rail sections 22 times over the period.

The source also reported that on the rail section between Khasavyurt and Karlan in Dagestan unidentified persons blew up the railway. No one was hurt. However, traffic came to a halt. Undamaged rail tracks have been used to let trains go through.

Dagestan Rail Link Destroyed

LD0906185195 Moscow ITAR-TASS in English 1833 GMT 9 Jun 95

[By Gadzhiy Shamov]

[FBIS Transcribed Text] MAKHACHKALA, June 9 (ITAR-TASS) — Seventy meters of the railway tracks

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were damaged and displaced by a powerful bomb planted under the rails between Khasavyurt and Karpanyurt on the railway linking Dagestan and Chechnya last night.

Specialists point out that this is the second major explosion in the area in a month. Fortunately, there were no trains running down the stretch of the rail track which was exploded by unknown criminals.

A group of investigators is working in the area. Criminal proceedings were instituted by the local prosecutor's office without delay.

Russians Assault Shatoy

LD1006095795 Moscow ITAR-TASS World Service in Russian 0836 GMT 10 Jun 95

[By ITAR-TASS special correspondent Nikolay Zagnoyko]

[FBIS Translated Text] Groznyy, 10 Jun — At dawn today federal troops in Chechnya launched a tactical assault in the area of Shatoy, one of the last Dudayev strongholds in the south of the republic, a spokesman for the federal forces combined group announced today.

According to the source, measures are now being taken to blockade the settlement and prevent casualties among the civilian population. Artillery and aviation are only bombarding the militants' reinforced points, the command spokesman stressed. According to preliminary information, Dudayev detachments are mounting fierce resistance, using all weapons at their disposal. At the same time, the Russian command believes that radio intercepts of conversations between Chechen field commanders allow the conclusion that the mood in the ranks of the militants is one of panic.

Additionally, the command spokesman continued, news is coming in from the areas in which Dudayev's troops are deployed that there are increasing instances of the murder of mercenaries, who are demanding a final payoff as their contracts come to an end.

The command spokesman announced that representatives of the administration are preparing to set off for Shatoy to ensure public order in the village and to normalize life just as soon as the hostilities come to an end.

To judge from the information from the command press center, hostilities have continued over the past 24 hours in other mountainous areas in the south of Chechnya. Federal artillery opened fire 49 times to suppress the enemy's weapon emplacements in the vicinity of the inhabited locality of Yarysh-Mardyy, and also 4 kms northeast of the inhabited locality of Sovetskoye.

During the past 24 hours, the press center spokesman said, there have been no fatalities among the internal troops, but seven people have been wounded — five servicemen and two policemen — according to the combined command press center. Dudayev's supporters suffered 31 fighters killed, one mortar was destroyed, and three weapon emplacements were suppressed. One tank was captured from the fighters, together with one APC, two artillery pieces, 12 grenade throwers, 20 assault rifles, and 313 explosive devices.

Federal Troops Disperse 'Militants'

LD1006100095 Moscow ITAR-TASS in English 0925 GMT 10 Jun 95

[By Sergey Batyrev]

[FBIS Transcribed Text] MOSCOW, June 10 (ITAR-TASS) — One of the last two groups of Dudayev's militants stationed in the Nozhay Yurt area in the East of Chechnya have been step-by-step dispersed by the Federal troops, a spokesman for the Federal troops in Chechnya told ITAR-TASS today.

A number of the militants are making attempts to break through mountainous areas, making a detour around Federal posts, and head for the West in the direction of Shatoy where another group of Dudayev's militants is stationed. Other Dudayev's militants seek to get out of Chechnya, heading for Dagestan.

After the Federal troops had taken the settlement of Vedeno under control, Dudayev's militants were split into two groups: the so-called "Shatoy" and "Nozhay-Yurt" groups, the spokesman said. According to reports at his disposal, there is a lack of coordination among the Chechen militants in the East of Chechnya which, in the opinion of Federal commanders,is connected with the loss of general command and control of the situation in this area.

Federal commanders pointed out that recently, Dudayev's militants had shown an increasingly growing interest in being given juridical guarantees and granted amnesty in return for voluntary surrender of weapons. At the same time, illegal armed formations continue forcible mobilization in a number of settlements of the Achkhoy-Martan and Nozhay-Yurt regions to recompense for the losses suffered in recent clashes, the spokesman said.

Interior Forces Disarm Rebels

LD1006100395 Moscow ITAR-TASS in English 0954 GMT 10 Jun 95

[FBIS Transcribed Text] GROZNYY, June 10 (ITAR-TASS) — Officers from the investigative administration

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of the Chechen Interior Ministry and representatives from the National Accord Committee carried out an operation to disarm rebels in mountainous areas between the villages of Alkhazurovo and Bamut (south-east of Groznyy), ITAR-TASS learned from the press service of the Chechen Interior Ministry here on Saturday.

As a result of the operation, 400 gunmen voluntarily stopped resistance and returned to villages of the Achkhoy-Martan and Naurskiy districts, including the village of Kalaus.

A representative from the press service of the Chechen Interior Ministry reported that rebels voluntarily surrendered a self- propelled artillery gun, a large-calibre machine-gun, 26 grenade launchers, 510 shells, 181 home-made explosive device, 50 kilograms of explosives as well as several dozen submachine-guns, rifles and pistols.

Kulikov 'Satisfied' With Operation

LD1006222695 Moscow Russian Public Television First Channel Network in Russian 2140 GMT 10 Jun 95

[From the "Novosti" newscast]

[FBIS Translated Text] I am satisfied with the progress of the operation which started at 1630 near Shatoy, Col-Gen Anatoliy Kulikov, commander of the federal troops, said. The advance units and airborne troops have broken the defense groups near Shatoy. The fighters' resistance has been weakened. Nazhay Yurt is blockaded. The communications and command system has broken down among Dudayev's subunits. Chechen fighters are leaving the combat areas and trying to infiltrate the lowlands.

The Federal troops command has been approached by intermediaries with proposals on conditions for the surrender of weapons. At present, the situation makes it reasonable to conclude that this is the start of the final stage of the elimination of illegal armed formations and the restoration of law and order in Chechnya.

General: War Will End in 2 Weeks

LD1106115795 Moscow Radio Rossii Network in Russian 1100 GMT 11 Jun 95

[FBIS Translated Text] The offensive in Chechnya in the region of the settlement of Shatoy, which started yesterday, is the final one, Lieutenant General Gennadiy Troshev, commander of the joint group of troops in Chechnya, said in an interview to RIA. He said that all the escape routes to Georgia, Dagestan, and Ingushetia which could be used by the militants have been sealed off. Troshev said Shatoy is the last stronghold held by Dudayev and his supporters.

The general noted that according to the army intelligence the Chechen militants have substantially reinforced the approaches to Shatoy. They mined the roads, set up numerous weapon emplacements, and built multilayered concrete shelters.

General Troshev expressed confidence that the bandit formations in Chechnya will be destroyed within the next two weeks. The end of the military operation should become the beginning of a political dialogue, said the commander of the joint group of troops.

Dudayev Rejects Talks, Claims Unity

LD1106155095 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1525 GMT 11 Jun 95

[FBIS Translated Text] "I am not going to comment on Russia, but I would like to say that its stance is nothing but a perverse form of racism, which does not lend itself to a commentary," the Chechen leader Dzhokhar Dudayev told the Ekho Moskvy radio station in a telephone interview. "This is what the whole world describes as fascism. Russia and the Russians have no perception of the philosophy of man's being on the Earth."

Asked about the position of the Chechen field commanders, Dzhokhar Dudayev said: "Our people have never been as united as now. The non-obedience of the field commanders is a lot of rubbish."

"The time for talking is over," he believes. "Three hundred thousand people have been made homeless, penniless, unemployed. They have all seen Russia's cruelty. In this situation, who should one talk to about peace, and at what level?"

D. Dudayev has neither denied nor confirmed the allegation that all his personal bodyguards were replaced. "I have one bodyguard, Allah, and fidelity to the ideals is my defense."

Officer: 2,500 'Militants' in Groznyy

LD1206083195 Moscow Radio Rossii Network in Russian 0700 GMT 12 Jun 95

[FBIS Translated Text] According to military intelligence, about 2,500 militants of Dzhokhar Dudayev are now in Groznyy, a senior officer of the headquarters of the Russian Army's 205th Special Motor-Rifle Brigade told an RIA correspondent. He also said that of late many of the militants have managed to penetrate into the capital of the republic through the corridors used for

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the delivery of humanitarian aid to civilians. The officer explained that, although the militants get into Groznyy unarmed, they have no problems acquiring arms because of underground arms caches left behind by the militants who retreated from the city.

Replying to a question about the possibility of underground actions by the diehards, the officer said that he does not rule out terrorist acts by them both in Chechnya and in other parts of Russia.

Spokesman Refutes Report

LD1206115895 Moscow ITAR-TASS World Service in Russian 1105 GMT 12 Jun 95

[By ITAR-TASS correspondent Olga Semenova]

[FBIS Translated Text] Moscow, 12 Jun — Reports carried today by the media that 2,500 Dudayev militants had broken through to Groznyy in order to carry out terrorist actions were called highly incorrect and requiring explanation by a spokesman for the command of the combined group of federal forces in Chechnya.

In a telephone conversation with an ITAR-TASS correspondent, the spokesman quoted [force commander] Colonel-General Anatoliy Kulikov and said that recently "about 4,000 militants left the Dudayev formations after realizing the futility of continuing the fight, laid down their arms, and returned to their homes." It cannot, of course, be said with certainty that absolutely all the former militants will never again take up arms, but the vast majority of them want peace and it would be unjustifiable to call the whole mass of them potential terrorists, thinks the commander of the combined group of federal forces in Chechnya.

According to his information Dudayev has less than 3,000 militants broken up into five or six scattered groups numbering from 300 to 500 people. "Some of them are pushing down to the lowlands in order to join talks on the conditions for surrendering their weapons," the ITAR-TASS correspondent's source emphasized. Over the past 48 hours, federal forces have completely fulfilled the tasks set, the command spokesman said. Troops have totally blockaded Nozhay-Yurt and dug in on the ridge about 2 km southwest of the settlement of Malyye Varandy and 1 km north of Zony, and have also taken the Mamyshasty elevation.

Spokesman: 72 Chechens Killed

LD1206110595 Moscow ITAR-TASS in English 1054 GMT 12 Jun 95

[By Olga Semenova]

[FBIS Transcribed Text] MOSCOW, June 12 (ITAR-TASS) — Over the past weekend Federal forces in Chechnya killed 72 Dudayev militants, destroyed one anti-aircraft mount, damaged two mortars, and seized three machine-guns, 27 automatic rifles, five grenade launchers, 40 mine-firing devices, 19 grenades, two home-made pistols and 4,280 cartridges of various calibre, a spokesman at the Press Centre of the Command of the Combined Group of Federal forces on the territory of the Chechen Republic told ITAR-TASS on Monday.

There was no loss of life among Interior-Ministry units. Nineteen men were wounded, and four servicemen were injured in road accidents, the spokesman said.

In Groznyy, 1,190 people and 180 vehicles were examined over the past 24 hours. Militants fired on Commandant's stations in Leninskiy district in the Chechen capital three times on the night from Sunday to Monday. Several Dudayev snipers were picked off in retaliatory fire, the spokesman pointed out.

Rostov Gives Yegorov Lukewarm Reception

954F2442A Rostov-na-Donu VECHERNIY ROSTOV in Russian 3 Apr 95 p 1

[Report by O. Bulbich under the "Visits" rubric: "The 1 April Revelations of Deputy Prime Minister N. Yegorov"]

[FBIS Translated Text] The president's canceled visit to the Don region was compensated by the arrival in Rostov of a government delegation headed by N.D. Yegorov, deputy prime minister and the minister of ethnic and regional policy affairs.

Arriving in Rostov in the evening of 31 March, the delegation immediately went to inspect the production facilities of the Agat privately held joint-stock company.

Saturday, 1 April, celebrated all over the world by jokes and pranks, was a working day for the Moscow guests and some Rostov residents—those engaged in organizing the visit and ensuring the delegation's security, and those participating in conferences.

On 1 April N.D. Yegorov held a three-hour conference with heads of the city and oblast rayon administrations, a half-hour meeting with heads of ethnic-cultural societies and Cossacks, and a 40-minute press conference.

A lengthy review of the sociopolitical situation in Russia, presented by the deputy prime minister, was listened to politely but did not evoke an enthusiastic response. Probably because a considerable part of it was devoted to the problems of the Far North.

Of course, knowledge of how people made it through the winter in Norilsk and Vorkuta enriches the mind and expands one's outlook. But we, southerners, are more

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concerned with somewhat different problems (to say the least).

In particular, we are very concerned over Chechnya, which is in our "backyard." "There will be no guerrilla war there," the deputy prime minister said.

The same day, government information sources reported that the Dudayevites had retreated to the mountains and were preparing for subversive actions....

Speaking of the center's regional policy, N.D. Yegorov lamented the oblasts' lack of economic independence, but did not promise to restore justice in the distribution of budget and tax funds. He exhorted Rostov residents to introduce local self-rule, despite having said earlier that without changes in the budget and tax policy, it is a fiction.

Then N.D. Yegorov and his entourage left for Azov, where they visited the AO Azov Automatic Press-Forges Plant. Among the landmarks they visited were a powder-magazine and the exhibition "Peter the Great's Capture of the City of Azov in 1696."

Is there a hint somewhere in this?...

On the morning of 2 April the Moscow delegation returned to Moscow.

Rostov Deputy Criticizes Chubays' Policy

954F2442C Rostov-na-Donu VECHERNIY ROSTOV in Russian 27 Apr 95 p 2

[Article by Federation Council Deputy L. Ivanchenko under the "Follow-Up" rubric: "Is It Up to the Drowning To Save Themselves These Days?"]

[FBIS Translated Text] Whose authority will turn out to be greater? This rhetorical question, asked by correspondent O. Vasilyeva in the commentary "Deputy Ivanchenko Follows Chubays' Fresh Trail....", published in VECHERNIY ROSTOV on 20 March, has been resolved.

In order not to tire the reader with a cornucopia of figures, I will quote the text of just one cable I received before departing for Moscow: "The economic situation of the AO [joint-stock company] Rostovugol is catastrophic. Arrears in paying January wages amounted to 41.64 billion rubles [R], February—R42.47 billion. As of 1 April 1995 the budget's delinquency in issuing state support funds amounted to R183.4 billion, including: in the area of state capital investment—R29.5 billion, pay scale agreement—R28.3 billion, social sphere maintenance—R42.9 billion, and production cost subsidies—R82.8 billion. There is no schedule for AO Rostovugol financing. The Rosugol company issues the money at its own discretion as it receives it. Respectfully, General Director of AO Rostovugol L.E. Zhigunov."

An analogous situation also exists at the AO Gukovugol. I think that any comments on Chubays fulfilling his obligations are superfluous.

Based on these data, during the discussion of the agenda for the 19th session of the Federation Council I proposed to bring up for an implementation review the decree "On State Policy and Financial Support of Miners Collectives," adopted earlier at my initiative. Unfortunately, only 36 percent of deputies supported my proposal and it did not pass.

An absolutely similar situation (but with a more active position taken by the miners) is developing in Maritime Kray, Vorkuta, and in the defense industry. Again Chubays undertakes to solve problems, again he makes promises. True, this time he says that the government will pay only 70 percent of the debt, and 30 percent should be paid by the regions from their already meager budgets.

Another deputy prime minister, Soskovets, says on Russian radio that the problem of financing higher education is its own business. Behind this one can clearly see the immortal slogan of Ilf and Petrov: "It is up to the drowning to save themselves."

This principle is being applied to millions of elderly and sick people, who pinned their hopes on the laws "On Veterans" and "On the Disabled." The laws have been signed, but they do not work anywhere, since the government has not envisaged a kopek in the national budget for implementation of these laws.

Hundreds of thousands of families without apartments welcomed with joy the announcement of the "Housing" state program and the government decrees on making nonrepayable subsidies for construction of housing available for those in need of an improvement in housing conditions. But this problem turned out to be stillborn too, since the oblast received no money for its implementation.

Tens of thousands of oblast residents own 1990 state targeted interest-free bonds, under which people were promised automobiles, color television sets, refrigerators, and other household appliances. The government decree, dated 16 April 1994, set the deadline at 1 June 1995, before which the government promised to buy out these bonds at current prices, and automobiles—at 60 percent of the price.

In order to pay back these obligations to oblast residents, R101 billion is needed. Slightly more than R20 billion

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has been received from the state treasury. My appeals to V.S. Chernomyrdin, insistently asking him to extend the deadline for buying our the bonds for another year was supported by the Ministry of Finance, which, however, moved the deadline I proposed to 31 December 1995. These expenditures are not accommodated in the national budget, however.

Hundreds of thousands of investors in MMM, Vostok and Sevkazkazbank banks, and others found themselves in a dismal situation. In addition to the purely swindling tricks perpetrated by banks themselves, such as announcing their liquidation, the government and the Central Bank also played a role by depriving banks of licenses or freezing their accounts.

Numerous communications from oblast residents prompted me to appeal to the chairman of the government, demanding that he urgently draft and put in effect a mechanism for repaying their personal savings to once-again-deceived depositors. At this point this issue is being reviewed, and I do not have an answer.

All the aforementioned facts again support my statement that I do not believe the government.

And I voted against the budget only because it does not provide for the most vital needs of most of my compatriots. I think that you too, as my compatriots, should realize that the government, which owes all industry sectors, the social sphere, and each of us separately, is bankrupt.

Rostov TV, Radio Law Disputed

954F2442B Rostov-na-Donu VECHERNIY ROSTOV in Russian 6 Apr 95 p 1

[Report by the press service of the Rostov regional organization of the Democratic Choice of Russia party: "Are These Don Airwaves, After All?"]

[FBIS Translated Text] Russian Federation State Duma Deputies Alla Amelina and Boris Titenko met with top officials of the Rostov Oblast nonstate television and radio companies and Rostov association Svyazteleradio.

The meeting participants discussed a draft law on television and radio broadcasting submitted to the oblast legislative assembly by its deputy (also the general director of DON-TV television company), N.I. Chebotarev.

A number of serious criticisms were voiced with respect to this draft. It was noted that many of its provisions are in conflict with current legislation and violate the constitutional principle of freedom of speech and integrity of the federation.

In the opinion of independent television journalists (shared by our deputies in the State Duma), the adoption of such a law will create an unfavorable situation for electronic mass media operations, which will negatively affect the sociopolitical situation in the region.

Representatives of nonstate television and radio companies decided to send an appeal to the Rostov Oblast Legislative Assembly asking that this draft law be rejected, and also to ask the State Duma Committees on Information Policy and Communications and on Federation and Regional Policy Affairs to issue a legal opinion on the Rostov Oblast draft law on television and radio broadcasting.

A.L. Amelina and B.M. Titenko, on their part, promised to assist in obtaining such a legal opinion and to support the position of nonstate television and radio companies with their own appeal to the Rostov Oblast Legislative Assembly.

Chairman Notes Smolensk Duma Achievements

954F2425A Smolensk RABOCHIY PUT in Russian 15 Apr 95 pp 1-2

[Interview with Sergey Antufyev, chairman of the Smolensk Oblast Duma, by I. Karnasevich; place and date not given: "Sergey Antufyev: 'The Degree of Conflict Between the Duma and the Administration Is Exaggerated'"]

[FBIS Translated Text] A year has passed since the establishment of the new organ of representative authority—the Smolensk Oblast Duma. S.V. Antufyev, chairman of the Duma, talks about this year's results.

[Antufyev] In my opinion, the main thing has been done—the formation of the organ of legislative authority of the oblast. The people who were elected to it arrived at the understanding that the Duma is a norm-creating organ, not some kind of extension that functions in parallel to the oblast administration.

[Karnasevich] Is this assertion not too premature?

[Antufyev] What I said is confirmed by the practice of the meetings of the Duma in recent months. You yourself attend the meetings and know as well as I do that particularly practical questions, for example, the supply of the population with gas, the state of affairs in the villages, or the work of passenger transport, are very tempting as subjects for the attention of the Duma. It seems that we will consider and analyze, and something in our life will immediately change for the better.... These problems are especially tempting, because each deputy has his own life experience that enables him to orient himself in a discussion of such problems. It is

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not easy to reject this and work on the development of a document in which each word has its own sense, its own meaning.

From this standpoint it seems to me that the deputy corps of the oblast came not in words but in fact to a realization of how important it is to be able to make decisions that can regulate production-economic relations and ensure social guarantees for citizens. The work on the draft oblast charter confirmed this. The consideration of the draft charter at five Duma meetings became a kind of litmus paper which developed the deputies' ability in norm- creating work.

[Karnasevich] What can you enumerate in the category of Duma achievements?

[Antufyev] The work on the documents on youth policy in the oblast.

[Karnasevich] Do you think that you have succeeded in resolving youth problems?

[Antufyev] I think that the Duma was able to concentrate the attention of various forces on the problems of youth.

Discussion of this question in the Duma did not proceed without debate, frequently with amusing incidents, but it evoked wide comment. As a result, a very fruitful dialogue started between official structures, i.e., organs of authority and informal associations. The officials, that is what I will name them, saw for themselves how broad the spectrum of youth problems is and how complicated the problems are. Also disclosed was the fact that very complex processes are taking place in the youth environment, which need correction. The program that was finally adopted defines, although presently in modest limits, the character, direction, and financial sources for the implementation of youth policy in the oblast.

[Karnasevich] Thanks to newspaper and radio reporting, Smolensk residents have an idea of the work of the deputies during meetings. But just what is the Duma like from the inside?

[Antufyev] The main work of the Duma occurs in the periods between meetings. In the final analysis, the productivity of its activity depends on the effectiveness of the work between meetings. In turn, the effectiveness of this work is determined by two factors: the quality of the work of the permanent commissions and the apparatus.

The usual procedure is as follows: The administration prepares the first draft of a document. It is discussed in detail at a meeting of the appropriate commission. The next stage is coordination of the prepared document with the administration. Only after this is the question itself and the draft decision raised at a meeting of the Duma. A year's work experience showed that putting unprepared questions on the agenda leads only to discussions, but not to resolution of a problem. Although discussions are also sometimes necessary.

[Karnasevich] From what you said it follows that the main work of the deputies is work in the commissions. How do they cope with this?

[Antufyev] In different ways. Unfortunately, there are deputies who think that attending the Duma meetings is a quite adequate performance of their deputy duties.

[Karnasevich] What is to be done with them?

[Antufyev] An analysis was conducted of the work of the permanent commissions, and the results were announced at one of the Duma meetings. It is possible that more should be said about our "kitchen" so that people will be able to understand how their representatives work.

But as for the apparatus.... This is not a simple problem. There is an indicator—the correlation between the apparatus and the number of deputies. In Nizhniy Novgorod Oblast, for each deputy there are 2.2 apparatus members. In Central Russia—1.2 on the average, and in Smolensk Oblast—0.8.

[Karnasevich] Did you make savings in the apparatus?

[Antufyev] No, I would not say so. An ideological campaign was started—so that the apparatus would not "call the tune," and it should be "cut" to the minimum. Thus, it is said, there will be more democracy. If you add to this the obsolete form of remuneration, which does not attract first-class specialists, it will be clear why the Duma has difficulty and at times cannot professionally evaluate the quality of proposals on the budget, tax policy, etc. But after all, this is necessary to ensure that our decisions help people and not complicate their life. The cost of our mistakes can be extremely high.

[Karnasevich] According to my observations, certain, let us say, blocs of deputies have been completely formed. How does this affect the work of the Duma?

[Antufyev] Not always in a positive way. At times it is not personal positions, but belonging to one or another bloc that prevails in the adoption of decisions. Although this is a natural process. There very likely is also an element of imitation of the Federal Assembly, where factions are the main form of structuring parliament.

[Karnasevich] It seems to me that the blocs in our Duma are formed more according to professional indicators and personal sympathies....

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[Antufyev] I do not think it is right to discuss this question.

[Karnasevich] What did this year teach the chairman of the Duma?

[Antufyev] A lot! I, like the deputies, had to learn to work under the prevailing conditions, i.e., under conditions where there is no clear legal base, the functions and procedure of activity of the oblast organ of representative authority is only just being formed, and the law does not define the relations of the branches of authority. From this standpoint, I believe that the oblast mass media somewhat exaggerate the extent of conflict between the Duma and the administration and between the chairman of the Duma and the chief of administration of the oblast. I think that a real process is going on now in the formation of the branches of authority under the conditions of absence of a firm legislative base. No more than this.

Sverdlovsk Oblast Duma Speaker Interviewed

MM1206121095 Moscow ROSSIYSKIYE VESTI in Russian 9 Jun 95 p 3

[Interview with Eduard Rossel, speaker of the Sverdlovsk Oblast Duma, by Liya Gintsel in Yekaterinburg reprinted from YEKATERINBURGSKAYA NEDELYA; date of interview not stated: "Eduard Rossel: 'Power of the People Will Triumph in Russia!'" — first paragraph is introduction]

[FBIS Translated Text] Many Russians remember the events connected with the Ural Republic. Lasting only a few days, it gave rise to the "Transformation of the Urals" public association. One of its main aims is to achieve the region's independence. Eduard Rossel, chairman of the association's council, speaker of the Sverdlovsk Oblast Duma, and Federal Assembly deputy, answers YEKATERINBURGSKAYA NEDELYA's questions.

[Gintsel] Eduard Ergartovich, the "Transformation of the Urals" association is persistently stressing its nonparty affiliation. Yet you are obviously seeking power — a directly opposite sign.

[Rossel] Yes, we are indeed a nonparty movement. The "Transformation of the Urals" charter bears this out. Our aim is a strong regional policy and real power for all components of the Federation. To develop successfully under market conditions the Russian regions must finally receive economic and political autonomy. That is the main thing.

Our association does, it is true, plan to struggle for power at all levels — from the head of local self-management to governor. We are not, naturally, overlooking the representational organs either. But we hope primarily to achieve a situation in which knowledgeable, experienced, skilled people, professionals in short, will work. On this basis we have been able to find a common language with many parties.

[Gintsel] Why one more association? Does it not seem to you that the number of associations long ago came into conflict with their quality?

[Rossel] I believe that different associations resolve different tasks. For instance, "Transformation of the Urals" is so far interested exclusively in Sverdlovsk Oblast. There, under its charter, the powers of "Transformation of the Urals" end.

But we are on the threshold of elections to the Federal Assembly. And then the presidential marathon will begin. So there is the idea of expanding our goals and going beyond the framework of the oblast. In the Urals region there are 11 components of the Federation in all. In Chelyabinsk there is "Resurrection of the Urals" and Kurgan and Udmurtia are prepared to unite with us.

Muscovites at present comprise over 50 percent of the State Duma. people living in Moscow control all Russia. And they should be replaced by deputies from every region, every oblast. So we must create a very powerful regional movement which could counter the Moscow blocs of Chernomyrdin, Rybkin, and so forth. Otherwise Rybkin will again gather the Moscow deputies that are in his pocket and will staff a Duma which can reflect only... but I do not even understand what it will reflect!

[Gintsel] In general what do you include in the "Transformation of the Urals" concept? Where, in what direction, do you intend to transform your region?

[Rossel] It is a case of reforming the economy. I treat the word "resurrection" with caution. What is to be resurrected? We have had no war, the people are intact, the enterprises are intact. It is reforming and transforming that we must do. Hence "Transformation of the Urals." We have our own vision, distinct from the center, of what to do with the Urals' economy and industry. With our permission the oblast Duma has examined and approved a program for reforming the economy — creating a financial fund with the accumulation of the resources of budget and nonbudget funds to support these enterprises. They will not recover without outside help.

Take the agro-industrial complex. It has been virtually destroyed. In 18 months production output in the villages of the Central Urals has halved. Considered state support for the rural sector is needed. A special mention for finances. Today they are virtually all concentrated in Moscow: Some 90 percent of financial

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resources are assigned to the capital while our people cannot find capital. We send money to Moscow and then almost have to ask for charity to get it back.

[Gintsel] How do you see yourself in the association? Will interest in it not fall with the loss of leadership that has been allowed?

[Rossel] Loss of leadership? In principle I do not see any signs of that. At the association congress I was unanimously nominated as candidate governor, that is the support is obvious.

[Gintsel] Do you seriously hope that the idea of electing the governor, supported by your association, will actually be implemented in the near future?

[Rossel] Well, any business can be held up by red tape. There are people who have grown used to the old system. They feel like fish in water in it. In my view these trends are very strong. There are not that many progressive leaders. Those of whom I speak banked on there being no elections because there was no presidential edict. Thank god the edict has been signed. It has been received by 89 components of the Russian Federation, which includes us. It has been published. The Duma has scheduled elections for 6 August. They will be held cleanly and correctly, observing all laws. And here our opponents will not be able to do anything. We shall elect the first legal governor.

Tyumen Oblast's Economic Boom Described

MM0906160095 Moscow IZVESTIYA in Russian 7 Jun 95 p 5

[Article by Rustam Arifdzhanov: "Tyumen — Capitalism's Shock Construction Site "]

S Translated Excerpt] Surgut-Tyumen-Moscow — [passage omitted] According to Tyumen Oblast Administration Head Leonid Roketskiy, the majority of structures created for the extraction of Tyumen's oil and gas are no longer registered on the oblast's territory:

"They were being transferred out of here all last year. 'Gazprom,' which extracts 90 percent of its gas in Tyumen Oblast, is in Moscow. What about 'Lukoil'? It is also in Moscow. The same goes for YUKOS and 'Sidanko.' It turns out that the main oil and gas development facilities situated on the territory of Tyumen Oblast do not actually belong to the oblast today. Their richest investors, directors, and banks are located in Moscow, pay taxes in Moscow, and build their offices in Moscow."

You can understand the present Tyumen leader's viewpoint. As he says, it is not necessary to extract so much gas and oil in order to feed the oblast's 3,200,000 population and give them a decent education, and to build houses, movie theaters, and hospitals. But Tyumen is extracting it. The only thing is that this is not improving the lives of the majority of Tyumen's inhabitants.

This is at a time when, in terms of the Saving Bank's money turnover, Tyumen Oblast ranks second after Moscow and is ahead of other rich areas like Yakutia, Komi, and even St. Petersburg. In terms of hard currency accumulation, Tyumen ranks fifth and only the Central Bank, Moscow, Moscow Oblast, and St. Petersburg are ahead of it. Finally, a surprising but important indicator — in terms of receipts from places of entertainment, the oblast ranks 13th. People do have money.

Alongside the losses and problems — both old and new — we have new people on the scene and new horizons.

Notaries' Ball

Today there are 10 foreign construction companies working in Surgut. The Canadian corporation International Technology Management is putting up a school cafeteria to produce 15,000 meals a day. The Canadian company Dendzhen [name as transliterated] International is carrying out the reconstruction and the expansion of an airport complex. The companies Bema [name as transliterated] (Germany) and Tsimex [name as transliterated] (Austria) are planning a 200-bed four-star city hotel which will cost $14-15 million. Yugoslavs from the U.S. company Remoil [name as transliterated] Holding are laying the foundations of a "Surgutneftegaz" business center, the Lithuanians are building the "Yermak" hotel, the Bulgarians are putting up an office for Surgutgazprom, and the Finns — an office for "Sibirgazbank"....

Vladimir Bogdanov, the Russian oil business's most enigmatic and secretive figure and president of"Surgutneftegaz," the third largest oil and gas company, sets out his principles thus: "Why are we investing millions in a new administrative block? Because we do not intend to move either to Moscow or to St. Petersburg. We have to manage our business on the spot." At one time Bogdanov had — at the age of just over 30 — become the country's youngest oil "baron." After that, he naturally was summoned to the capital regularly — even to take up the post of minister. But he did not go. People say, of course he did not go as he would have become a small fish in a large pond in Moscow, whereas in Surgut he is the boss. Since when have oil or gas ministers become small fry in Moscow?

Bogdanov is a cautious individual. He was called the "iron boy" when he was young. It is simply that the Surgut hermit considers that the contorted bias toward

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the capital is, to put it mildly, illogical. With our unwieldy head (or two if you count St. Petersburg and take the coat of arms into consideration) and delicate body, we can only be weak if not broken. Incidentally, Bogdanov considers much today to be illogical.

There is not a single joint venture within his company or affiliated to it. Foreigners work for it and it imports equipment. "All this can and must be purchased," he considers, "but the profit is for the Russians. Why share it?"

Surely it is illogical, the Surgut "baron" thinks, to have duty on oil which is set in accordance with yield. When "Nizhnevartovskneftegaz" began to fail and almost went under it no longer had to pay duty; others were put in a spin and had it reduced. Work for Surgut plant workers was stable, so they came down on them like a tonne of bricks. However powerful you are, you will not be able to hold your own.

Maybe, he should be in Moscow where he will be somewhat closer to the authorities and can lobby them. But the city would interpret Bogdanov's departure from Surgut if not as a tragedy then as a bad omen: The North is finished. He picks up his suitcase, goes to the station, thence to the capital.

In the meantime, Surgut residents display their characteristic delusion of grandeur as they talk about Bogdanov as if he were an important local point of interest: Our man would not fit, he will not leave. The snow, services, and girls in Moscow are just not the same.... We have our own airline; all the stars come here. Let us not forget show business: Everybody's been here. And recently there was the Perm ballet.

There is a small, cozy restaurant downtown, which is called the "White Grand." There is actually a grand piano there. It is white and no one knows why it was brought there — no one plays it but it was brought there and put in the center of the hall. The menu is quite up to the average European standard. The wine list is of the same standard. Of course, the vast majority of guests prefer just to have vodka. But how can you do without a wine list? That very day elderly women and men in far from the most stylish attire were having a good time in the "White Grand." The women danced on the thick carpets having removed their shoes as if there were at home. This is nothing unusual for present-day Surgut — we are at a notaries' ball. Some time ago a group of inconspicuous and little respected losers from the legal profession came to live here and did better for themselves than usual. Companies, joint-stock companies, limited partnerships, and closed-type joint-stock companies continue to multiply with amazing speed here. The city is channeling its mass of experience of Komsomol [All-Union Lenin Communist Youth League] enthusiasm into adventurism and commercial schemes.

No, Bogdanov will not leave! [passage omitted]

Pechora Oil Spill Cleanup Work Described

MM1206134695 Moscow ROSSIYSKAYA GAZETA in Russian 10 Jun 95 Weekend Edition p 10

[Article by Ivan Subbotin: "Sea Rescue Operation. Pechora and Barents Sea Safe. Cleanup of Contaminated Area Near Last Year's Oil Spill on Usinsk-Kharyaga Pipeline Begins"]

[FBIS Translated Text] It will soon be a year since Usinsk, lost in the Pechora bogs, became a place of pilgrimage for foreign journalists. Every day two or three groups of "outside" correspondents and photographers visit the village halfway between Ukhta and Vorkuta.

They still do not believe that the situation could have improved and that the thousands of tonnes of oil which escaped from the ruptured pipeline have not rushed down the Kolva, Usa, and Pechora Rivers and into the Barents Sea.

But in a few days the picture looks like changing. The point is that last week a fault-finding commission of World Bank and European Bank for Reconstruction and Development [EBRD] experts arrived at the scene of the accident and confirmed that the first phase of the work is complete. Even after the snow melted and after the copious flooding it proved possible to confine virtually all the spilled oil to an area of 70 hectares.

Bankers, who never like throwing money down the drain, approved the actions taken by the Australian-U.S. firm AYeS/Khartek [name as transliterated]. It became known on Thursday [8 June] that the World Bank and the EBRD have finally paid some of the money promised for the rehabilitation work.

Let me remind you that last August a huge mass of spilled petroleum products was found in a sector of the Usinsk-Kharyaga pipeline. Pure oil is not sent down the pipes; apart from paraffins and other components salt water is also added. The pipes rust slightly, so leaks in the pipelines are a common occurrence.

However, it was near Usinsk in the Kolva Valley that they occurred one after another in a short space of time. The threat of a real environmental disaster arose. According to the most modest estimates made by the owner of the pipeline, the "Komineft" Joint-Stock Company, around 14,000 tonnes of the "black gold" flowed into the ground from the ruptured pipeline.

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Skeptical experts boost this figure to 90,000 or even 200,000-300,000 tonnes.

On the whole it looks as though at least a 20-liter canister of coagulated oil was spilled on average per square kilometer over an area the size of 150 soccer fields.

The prosecutor's office, which instituted criminal proceedings against the "Komineft" Joint-Stock Company, estimated the damage caused by the Usinsk emergency at 2.5 trillion rubles. Through the fall and winter the company tried to eliminate the aftermath of the accident on its own. But after one of the protective dikes that it had built was washed away in September and the oil content in the Kolva reached 20 times the maximum permissible figure, the World Bank and the EBRD promised vast sums of money ($100 million and $24 million respectively) to those involved in the work. With one proviso — that they should not be Russian specialists.

The tender announced by the Russian Federation Government was won by a pairing of experienced firms — the U.S. Khartek [name as transliterated] and Australia's AYeS [name as transliterated] firms — which was set up in a rough-and-ready fashion. The experts now working near Usinsk are responsible for eliminating accidents in Alaska and the Gulf countries.

The clearly belated tender (it was only finalized 9 March) and the mild winter, which promised early, heavy flooding, also caused concern. So equipment and specialists began to be moved to the area 12 March.

In April, after the dams put up by "Komineft" had thawed, building new ones became a matter of urgency. But an unexpected frost saved the rescue workers from the unpredictable consequences of very severe flooding, which might have carried around 40 percent of the oil into the river. And by mid-May they had managed to finish cordoning off the contaminated area. In some places they had even begun the cleanup operation — part of the second phase.

Thus a week ago a commission of bankers, which was incidentally joined by a Russian Federation Government working group, officially confirmed that there was no oil in the Kolva (downstream), never mind in the Usa or the Pechora.

Having obtained the money, AYeS/Khartek is promising to treble the number of people working in the Usinsk area. There will be 700 people working in the cleanup brigades. There are plans to enlist local inhabitants in the work. It is mainly Russian citizens who are working here, with imported equipment and under the direction of foreign specialists.

The oil left on the banks — it is lying in gullies and hanging in coagulated clumps on the trees two or three meters above the ground, where it was deposited by the floods — will be washed into the river. That has not posed any danger for a long time now.

Today the Kolva and the streams running into it are sealed off by a series of booms — gigantic inflatable "sausages" collecting the oil that has come to the surface of the water. Powerful pumps are pumping the oil collected into special containers on the banks. And, once compact purification units have been built, the oil collected will be put back into the repaired pipeline.

In the most inaccessible sections AYeS/Khartek intends to get rid of the oil pollution by burning it. Experts assure us that this is quite harmless provided that safety procedures are observed: Only carbon will be left on the ground.

Ditches will have to be dug in swamps where the oil slick still totals a depth of 1.5 meters in some areas and, once they have been filled with water, the oil will be forced to rise to the surface whence it can be collected by dredges. This procedure has already been tried successfully here near Usinsk in an experimental area.

The cleanup of the contaminated area must be complete before the heavy snow — in the Pechora region it starts to fall around 20 October. A special commission, which will analyze water, air, and soil samples to see whether the oil content conforms with Russian standards, will confirm that the work is complete.

The third (and most complex) phase — the recultivation and rehabilitation of the environment — will regrettably take years. The tundra is a highly vulnerable natural organism.

The cleanup squads will leave all the equipment that has been purchased at the disposal of the "Komineft" Joint-Stock Company. The experience that the teams working in the disaster area acquire will also come in handy again. After all, oil spills occur year in year out, and our country has a whole bunch of oil pipelines.

Maritime Kray's Nazdratenko on PRC Border, Trade Issues

954F2491A Moscow OBSHCHAYA GAZETA in Russian 11-17 May 95 No 19, p 8

[Article by Valentina Voronova under the "Technology of Power" rubric: "The Governor Said: Not an Inch!"]

[FBIS Translated Text] Vladivostok—When at the beginning of April the Maritime Kray Civil Defense Head-

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quarters was alerted to explosions near the Russian Chinese border, our hearts missed a beat—here it comes!

"Nothing to it," officers reassured us. "All as usual—this time the explosion occurred at the Far Eastern Border District's artillery storage warehouses."

The population breathed a sign of relief: Thank God, not on the border.

You see, anything could be expected these days on the Far Eastern border. The border separating Russia and China is turning again into a line of increased tension as a result of intensive diplomatic efforts on the part of Maritime Kray Governor Yevgeniy Nazdratenko.

The governor has not graduated from any diplomatic academies, is not up on international protocol, but, as the saying goes, "he has an itch." Or, to be completely honest, he did not have much choice. After all the means for providing at least a minimally decent living for kray residents had been exhausted, after Maritime Kray lived through the winter in darkness, in candlelight and with radiators as cold as dead man's feet, after the miners went on hunger strike, never having received the money allocated by Moscow but misplaced somewhere in Vladivostok, it was necessary to captivate the people with some enthralling idea. And so the Maritime governor, upon brief contemplation, pulled an ace out of his sleeve: "We will not give up an inch of our soil to China!" The former Russian Federation deputy, who, by the way, kept his mouth shut in the Supreme Soviet when an agreement on demarcation of the eastern segment of the Russian- Chinese border was being ratified, having become chief of the kray, suddenly saw the "yellow danger" on his borders and cried out: "Not an inch!"

Maritime Kray shares 1,100 km of border with China, and only 15 square km, and not the most enviable from the standpoint of land use at that, are subject to revision; nevertheless, the ringing word "denunciation" began to sound in the local press and on the air. Doctor of Juridical Science Valentin Mikhaylov, professor of international law in the Far Eastern State University, diffidently points out:

"Any attempts to denounce this agreement are groundless, practically unfeasible, and will produce no results other than a worsening of Russian-Chinese relations."

But "who are you to tell us what to do?" Not an inch—and that is that! Anyway, where are our Cossacks—is it not time to call them to arms?

The diplomatic demarche of the Vladivostok vice-gerent was preceded by the large-scale Operation Foreigner. The white man was suddenly gripped with mystical fear: There are too many "yellowfaces" in Vladivostok, the rumor went; they bring disease, trash on the streets, an incredible rise in crime. Kick them out!

The crime rate in the kray is indeed one of the highest in Russia. But it is Chinese who usually get killed, not the other way around. Occasionally there are exceptions: At the beginning of April, chief of the Shkolnaya border post Sergey Dashuk was killed by Chinese poachers; nevertheless, judging by daily reports, businessmen's offices in Vladivostok get blown up by home-grown explosives specialists; as to venereal diseases, this is an international bane, and we are not watching through peepholes to ensure the purity of the experiment.

The older generation remembers the Chinese in Vladivostok: They sold fish and vegetables, kept taverns and gladly loaned money, cared for children and worked as house help. Opium? My compatriots did not know any restraint in this respect even back in the "iron curtain" times. Prostitution? Alas. The Heilingjiang border station is teeming with young Russian ladies, who happily provide a broad spectrum of services. Seven of them proudly related to me in Harbin that they earn twice a Chinese professor's salary in one night. A Chinese girl would be subjected to punishment and shame for the rest of her life for such exploits. Our authorities are mum on the purity of our genetic stock, morals, national pride, or even on taxing the girls' craft for the benefit of the kray budget, not to mention concern for their health.

There is only one thing our southern neighbors are really guilty of with respect to Maritime Kray residents—they have infected the local authorities with an inferiority complex: "Look at what they can do, yellowfaces that they are!" Indeed. Every one in two, if not every one, fur coat in Vladivostok is of Chinese make. Noodles from the PRC is the most affordable food for the poor. Apples, tangerines, oranges, and bananas year round also come from there. The Chinese came into the construction business—their meticulous distinctive style, speed, and honesty are reflected in dozens of new construction projects in Vladivostok and Maritime Kray.

Over the years of border trade with Maritime Kray, the Chinese have turned the obscure Sulfanhe rail station into a city with hotels and banks, multistory administrative buildings, and roads. The adjacent town of Grotekovo, on the other hand, still remains a border station, where the graffiti in lavatories is only in Russian.

This, however, does not insult the governor's patriotic feelings. As THE ECONOMIST magazine wrote (March 1995): "Realization of economic potential is a secondary task for Nazdratenko—the primary one is

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turning the kray into a personal fiefdom. He has identified himself with this area so much that he conducts his own international policy.... At the beginning of the year Mr. Nazdratenko suddenly stated: 'As long as I am governor, I will not give up even a meter of our soil.... If protecting Russia's interests is considered an imperialist idea, then I am an imperialist'...."

Regarding "Russia's interests"—this, of course, is for public consumption. When at the beginning of winter Vladivostok found itself facing the threat of freezing to death (Maritime miners kept staging strikes), the kray boss rushed to buy coal in China. And paid Chinese miners much more generously than he pays his own. There are enough samples of such "patriotism" to fill a whole book. For instance, it suddenly occurred to Nazdratenko that a burial site of Russian soldiers, who participated in the battle at Lake Khasan in 1938, falls within the demarcation zone. The Chinese agreed: This is sacred, we will go around the graves. And in response: "Not an inch anyway!" At the same time, 5 km from the imperial Maritime governor's office, at Cape Egersheld, stands an abandoned obelisk to similar heroes of the Khasan Lake battle. At the obelisk are food leftovers and old newspapers, and around it is a virtual garbage dump. Should we perhaps summon the Chinese to clean it up?

The local leader's spring attack of unbridled patriotic fever coincided, probably not accidentally, with the anniversary of the Damanskiy Island incident. In spinning out border intrigues, the Maritime authorities are doing their best to step once again on the banana peel, shrugging off the old proverb that a close neighbor is better than a distant relative. It seems that such axioms are foreign to them. Not so much ideologically as psychologically. Because the main point for politicians of Nazdratenko's ilk is to bang their shoe on the table, start a worldwide scandal, and trumpet themselves all over great Russia. And after that—who cares whether the grass grows back. Especially considering that in the border areas subject to demarcation it does indeed grow very poorly.

Economic Issues

Livshits Cited on Falling Ruble, Tariffs

LD1006163695

[FBIS Editorial Report] Moscow Radiostantsiya Ekho Moskvy in Russian at 1820 GMT on 9 June carries a 40-minute live studio interview with Russian presidential economics adviser Aleksandr Yakovlevich Livshits by an unidentified correspondent. Livshits speaks on the relationship between the ruble and the dollar, and on changes to import duties on foodstuffs. He said the stabilization of the ruble-dollar rate would lead to difficulties for some sectors of the economy: "The transition to a more or less normal economy in Russia will be very difficult and painful. At first sight it is only good news, but in fact, it will be very difficult. For instance, there are whole sectors of the economy — hundreds of companies — that have grown accustomed to working under conditions where the ruble is falling. They do not know any other economy. They appeared when the ruble began to fall, they grew stronger when it began to fall, and they know no other condition — some of them don't want to know any other condition.

"I think there are two possibilities now. Either these forces will attempt by any means to whip up internal inflation and the fall of the ruble, so there will be a proper exchange rate for them, or they will have to change their strategy. So what? It can't fall all the time, and it can't fall for ever. Sometime it will stop. Perhaps it stopped earlier than it should, but so what? You have to be ready."

After reviewing the Central Bank policy of letting down the ruble in line with internal inflation and reiterating that people should get used to the idea of saying goodbye to a two-currency system, Livshits speaks about the planned increases in import duty rates on foodstuffs, without stating what the planned changes are. He says the time when Russia could do without import tariffs is past: "Russia is not an offshore zone, it's a great country. No less great than America or Japan, which have customs tariffs and a normal tariff system."

He continues by saying people have never been satisfied with policy on tariffs and then justifies the current high tariff level: "How else can you haggle with others over the reduction of tariffs on the Russian goods we export? There are big rounds of this sort of haggling ahead. You can haggle by saying if you reduce them, we will too. But if we have zero rates, how can we haggle? That's one circumstance, not the most important one, but still important. One other thing: I would like to draw your attention to the fact that for rational, practical, and calm Westerners, a rise in tariffs is always a very powerful incentive for direct investment. When a country starts to push tariffs and build up a little fence around itself, the first wish for a normal person since he cannot jump over the fence is to crawl under it, dig under, and crawl inside with his money."

The majority of the program was taken up by phone-in questions, mostly posed by pensioners angry with the value of the falling ruble.

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Instability Said Likely To Increase

MK1006101095 Moscow SEGODNYA in Russian 10 Jun 95 p 1

[PRAYM report: "Fluctuations of Ruble Exchange Rate at the Moscow Interbank Currency Exchange Market Might Increase in June"]

[FBIS Translated Text] Aleksandr Potemkin, director of the Foreign Operations Department at the Central Bank of Russia (CBR), said that the CBR would not like to enlarge its currency reserve volume considerably now, in order not to undermine the parameters for currency reserves and money supply growth agreed upon by Russia and the IMF. At the same time, the CBR does not intend to leave the market and give up any ruble intervention altogether, but it has to allow greater fluctuations of the ruble exchange rate in the market.

The CBR is concerned over the fall in the dollar exchange rate at the Moscow Interbank Currency Exchange [MICE], since this increases the gap between the inflation level and the actual ruble exchange rate (according to CBR experts' estimation, in May, the dollar's nominal exchange rate fell by 2.7 percent, whereas the actual one diminished by 10.9 percent).

According to some sources, yesterday's fall in the dollar exchange rate at the MICE was linked with the active sale of export revenues by Russian enterprises. Specifically, one of the leading exporters in the country is selling foreign currency on the domestic market in great amounts.

Chubays Rules Out Autumn Ruble Crash

MM1206082395 Moscow IZVESTIYA in Russian 9 Jun 95 p 4

[Article by Irina Savvateyeva: "Anatoliy Chubays Claims That There Will Be No Financial Crash This Autumn"]

[FBIS Translated Text] Anatoliy Chubays has assessed all the talk about a coming financial catastrophe this fall as a "mixture of unprofessionalism and lobbyism."

Answering questions from IZVESTIYA, Chubays noted that the references to the sorry experience of years past, when a period of stabilization in the spring and summer would inevitably be followed by an explosion of inflation in the fall and the collapse of the ruble are incorrect at the very least. The simple reason is that in previous years such an explosion was inevitably preceded by the abandonment of a tough financial policy and by massive inflows of "worthless" money into the economy, which is not happening now.

"Ruble issue is in line with the ratified monetary program," the vice premier stressed. "The dynamics of it are — April, minus 4.5 percent; March, plus 11.7 percent; May, minus 8 percent."

We would recall that last year 72 percent of the budget deficit was covered by Central Bank credits.

"Nothing similar is happening, nor will it be permitted this year," Chubays assured us.

At the same time, our interlocutor admitted that today's vigorous money-supply growth is happening as a result of the Central Bank being forced to buy large amounts of dollars in the course of trading on the Moscow Interbank Currency Exchange.

However, the vice premier believes that the danger posed by such money-supply growth is incomparably lower, since a considerable proportion of the rubles thus issued is being used to replace dollar savings.

Although, Anatoliy Chubays agreed, the government is reacting "somewhat belatedly" to the situation. Holders of rubles have still not been offered diverse and reliable mechanisms for carrying out profitable investment primarily on the stock market. Chubays assured that the Finance Ministry is currently hard at work on the accelerated issue of securities for the retail investor; in other words, for the population.

"The second fundamental difference between the current situation and those of previous years is found outside the framework of the financial sphere. It is to be found in production," our interlocutor noted.

According to Anatoliy Chubays, this May production and GDP growth came to 1 percent for the first time in many years. It is thanks to the stabilization of production that the budget has been able to meet its revenue plans by 103 percent in the first quarter, Chubays believes.

Answering IZVESTIYA's questions, the vice premier categorically refuted two currently widespread theories. That an autumn collapse of the ruble and other negative trends in the economy will to a considerable extent be provoked by the destruction of the foreign-trade balance, which is inevitable due to the sharp fall in the dollar. This collapse will also be compounded as a result of the increase in import tariffs and, consequently, retail prices as of 1 July.

As for the foreign-trade balance, "Our calculations show that in the most ultra-optimistic scenario — with very rapid stabilization, inflation at 1-1.5 percent a month, and the rosiest prospects for the ruble — our balance of trade would allow us to continue this ultra-optimistic policy (which, incidentally, we are not

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actually expecting to do) for almost a year at least. We have enormous reserves."

Incidentally, Chubays agreed that a deterioration in the balance of trade is inevitable, but there is no call to panic about it. "In every country all over the world, financial stabilization has always gone hand in hand with a worsening balance of trade and an improving balance of payments primarily because it led to an inflow of capital and a decline in the flight of capital from the country."

Moreover, financial difficulties and the impossibility of making profits solely as a result of the depressed ruble will only benefit our exports, since this will force them to upgrade their technology and improve efficiency, which is something they have been able to avoid thus far. The vice premier claimed that production efficiency in our export sectors is currently far from matching any sensible standards. A classic example is that the oil price in the country is 40-45 percent of the world price, while prices of refined petroleum products have already virtually reached world levels.

"This means one thing — a monstrous, fantastic level of inefficiency in oil refining," our interlocutor believes. "Huge investment is needed to increase the level of refining and reduce costs. Our aim is to ensure that as a result of the strengthening the ruble and the overall financial stabilization, the conditions for attracting investment primarily to export-oriented sectors will be created. In other words, as a result, we will engage in the global tasks of economic restructuring. This is precisely what should happen in Russia if our actions are aimed not just six months head, not at the narrow lobbying interests of a group of exporters, but at stabilizing the entire Russian economy in the long term."

Incidentally, in Chubays' opinion, no less dangerous is the problem of lobbying by importers scared of price rises in the fall — allegedly the inevitable consequence of the raising of import tariffs. Here the vice premier quoted the following figures: As of 1 July, import duties will be increased by 2 percent on average. Duties on food will be raised 5-6 percent. Although the real value of the dollar fell by 9 percent in May alone, it will fall further in June, Chubays promised.

"This means that in May-June alone importers will have already been compensated for all the losses — real and imagined — which they might suffer as a result of the import-duty increases."

Demonstrating how lobbying by importers affects financial stabilization and the state of Russian producers, Chubays quoted the following arguments:

"All central Russia, the entire Non-Chernozem Zone, and all of the northwest have currently been cut off from giant markets. Together with Nazarchuk, Zaveryukha, and Panskov, I am currently fighting to try to obtain at least 50 or 100 billion rubles [R] to support the countryside — after all, the isolated Moscow market alone represents trillions of rubles that people are ready to spend."

Talking about the real dangers this fall, Anatoliy Chubays dwelt on the problem of the seasonal factor, but he was not inclined to dramatize even this problem. The North is currently funded under a new plan which, the vice premier claims, makes it possible to "strictly control the situation." Money is now allocated not monthly, but to ensure the shipment of specific goods to a specific region at a specific time.

As for the financing of farmers, Chubays intends to seek common ground with them, judging by everything. The vice premier particularly stressed that this is the first time in the past few years that sowing has been done without state funds. It has been done ahead of schedule, with good indicators for both area sown and mineral fertilizers (30 percent more has been used than was used last year), yet the farmers had initially been asking for R11 trillion.

"If we had shelled out that R11 trillion, we would not be seeing anything like the current results. So I believe that agriculture has made a unique contribution to financial stabilization this year," the vice premier summarized.

Anatoliy Chubays sees the biggest threat this fall as coming from inflationary expectations based on a lack of confidence that the government will be able to stabilize finances while carrying out the current policy.

"If the government is not trusted, people will buy futures contracts for September dollars at R7,000. It won't reach that figure! But the mere fact of futures contracts being concluded at that figure will influence the situation on the financial market."

Moreover, inflationary expectations, our interlocutor is sure, will be whipped up by two more factors — by the activities of all kinds of lobbyists with no interest in financial stabilization, the same people who are conducting a purposeful propaganda attack on the strengthening of the ruble and the introduction of import tariffs. All kinds of populist steps are also being taken by politicians who are prepared on the eve of the elections to adopt "sundry pretty laws to directly deceive those for whom they are intended."

In particular, Chubays called the adoption of the draft law to increase pensions 20 percent as of 1 June "crazy": "It will be impossible to pay that money because it

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simply isn't there, but we are ready to increase pensions every three months and will absolutely do so."

Duty on Imported Goods Worth Over $2000 Reduced

LD0806192795 Moscow Russian Television Network in Russian 1600 GMT 8 Jun 95

[FBIS Translated Text] It has become known today that the Russian Government has adopted a resolution on reducing duty on imports of goods by individuals by a factor of two. The duty on the goods, which cost over $2000, will now come to 30 percent instead of 60 percent. Along with this, for the first time certain goods will be liable to special duties.

Higher Duties on Food Not To Affect Economy

LD0906163195 Moscow INTERFAX in English 1330 GMT 9 Jun 95

[FBIS Transcribed Text] Moscow, June 9 (INTERFAX) — The increase of import duties levied on foodstuffs since July 1 could result in higher retail prices because most importers make their customers cover their costs. However, the actual increases must not be significant because the consolidation of the ruble and the associated increase of its purchasing power considerably increase the profitability of import and the incomes of the importers.

Sergey Pavlenko, head of the Economic Reform Center reporting to the government, told INTERFAX that he expects the prices of just a few goods such as imported beef to increase by 7% to 12%.

On the other hand, because certain suppliers hold monopoly regionally and certain foodstuffs are in short supply, the actual consequences of the increased duties will depend, Pavlenko believes, on the behavior of the importers and the strength of the dollar. He also said that the consumers will, in a final analysis, foot the increased energy and storage space bills which are likely to push retail prices upwards.

Pavlenko believes that the increased customs tariffs will not send inflation soaring and that their impact on the economy will be negligible. He said that the country as a whole will not notice them. On the other hand, the increased duties are not prohibitive and Russian food producers will not gain advantages.

In Pavlenko's view, the controversy over new customs duties "before the ruble has weakened" is largely politically, not economically, motivated.

Chubays: Import Tariffs To Increase in Jul

LD0906192295 Moscow INTERFAX in English 1917 GMT 9 Jun 95

[FBIS Transcribed Text] Moscow, June 9 (ITAR-TASS) — Russia's First Vice-Premier Anatoliy Chubays says food import tariffs will grow inconsiderably in July. He told a press conference in Moscow today that the average tariff rate will increase by a mere four percent to 12.7 percent from next month. He stressed that it was a measure to protect Russian manufacturers.

Chubays expressed bewilderment in connection with the publication of what he called ungrounded speculations predicting that the price beef will jump by 65 percent and of milk by 60 percent in Moscow soon.

Chubays pointed out that Russian food suppliers are already meeting fully the capital's demand, and the prices of proposed supplies will be lower than import prices anyway.

Russia-Europe Energy Security Concept Aired

MK1006100095 Moscow KOMMERSANT-DAILY in Russian 10 Jun 95 p 5

[Report by Nikolay Podlipskiy in the "Energy Security" column: "Russia and Europe Have Found a Common Denominator"]

[FBIS Translated Text] "There cannot be two different energy security concepts for Russia and Europe" — this conclusion, rather unexpected in present-day conditions, was made at the international consultative conference "Russia-Europe: A Strategy of Energy Security," which was held under the auspices of the Security Council.

The conclusion was unexpected because Russia and the West European countries are, at first glance, in an antagonistic position: Russia is a seller and Europe is a buyer of energy resources. In effect, the main outcome of this conference could be the fact that both the Russian and the West European sides did their best to disprove this thesis. The conference was organized by the Russian Security Council, the World Energy Council, and the Moscow International Energy Club. According to Security Council Secretary Oleg Lobov, who gave KOMMERSANT-DAILY an interview immediately after the conference, the Western side is probably even more interested in it than the Russian side: Future plans call for holding a series of analogous meetings and break the rather generalized subject down into a number of branch sections.

The generally recognized definition of the concept "energy security" is one formulated by the World Energy Council: "Confidence that energy will be available in the

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amount and of the quality needed under given economic conditions." Based on this definition, Security Council experts thus classify the main threats to Russia's energy security.

First is the critical financial situation of the national fuel and energy complex caused by mass nonpayments (up to 40 percent of energy consumed) and production recession (a fall of 23 percent in 1994 compared to 1990). Second is an acute shortage of investments, which even now is leading to an irreversibly shrinking production (by 154 million tonnes in the oil industry). All this proceeds in the context of the "alarmingly high" obsolescence of working assets in the fuel and energy complex (for the most part created 20 to 40 years ago on the wave of an oil boom). The third threat is the worsening situation in the raw materials base and the dwindling volume of geological prospecting work: High-yielding deposits are already exhausting themselves while last year the level of newly prospected deposits for the first time was below the production level. The last threat to Russia's energy security is the high energy-intensity of the national economy.

It is in fact the critical condition of the Russian fuel and energy complex that creates preconditions for a compromise. According to some official estimates, in the next 10 years the Russian fuel and energy complex will require nearly $200 billion to meet domestic energy needs and "to ensure its export in optimal volumes, from the point of view of commercial effectiveness." Approximately 25 percent of this sum can be obtained from external sources.

For its part, Europe, in spite of its consistent policy toward diversification of energy suppliers, the creation of strategic fuel reserves, and the reduction of energy intensity in the economy, will in the future continue to rely on supplies from the East. According to World Energy Outlook, by the year 2010 Europe's energy needs will increase by 450 million tonnes (in the oil equivalent). Two-thirds of this increment will be constituted by natural gas (240 billion cubic meters). Therefore the common denominator of a uniform energy security concept is the unflagging flow of relatively cheap energy from East to West. In effect what is involved is a kind of a Soviet-era "gas-for-pipes" deal: In exchange for European investments (both in monetary form and in the shape of technology and equipment) Russia guarantees stable energy supplies to Europe, at the same time addressing its own internal energy problems. Furthermore, Russia may be allowed some corporate expansion: penetration of West European distribution networks by national companies (primarily Gazprom).

More on Paramonova's Chances To Be Bank Chief

MK0806112095 Moscow SEGODNYA in Russian 8 Jun 95 p 4

[Report by Andrey Grigoryev: "Banking Congress Discusses Paramonova's Professional Qualities With Interest. Deputies Fear Central Bank Feminization"]

[FBIS Translated Text] The Fourth International Banking Congress opened in St. Petersburg yesterday. Since the congress coincided in time with the consideration of Tatyana Paramonova for the position of Central Bank chairman, the greatest attention was paid to general policy — and the question of who will be head of the Central Bank is undoubtedly that. Naturally, Paramonova's fiasco in the Duma committee was at the focus of discussions in the corridors.

The contender was very reserved in her comments on the Duma committee discussions. In Paramonova's words, the deputies had no concrete objections. According to information available to SEGODNYA, the deputies' more intelligible argument against her candidacy consisted in that the position of Central Bank chairman is not too suited for women, whose number in the bank's leadership has grown a bit too much.

On a connection between the committee decision and Central Bank policy, Tatyana Paramonova remarked that she "has always proceeded from the interests of the business at hand regardless of business conditions. Former Central Bank chairman Viktor Gerashchenko categorically stated that if the State Duma rejects the candidacy of Tatyana Paramonova, "this will spell tragedy for Russia."

At the same time, some high-ranking Central Bank staffers, talking with SEGODNYA correspondent, did not comment on the situation in so tragic terms. They believe that the negative outcome of the Duma committee discussion of this question is directly linked with certain qualities of Paramonova that hinder the normal functioning of the Central Bank. Incidentally, they named Viktor Khalanskiy, head of the Main Administration of the Central Bank in St. Petersburg, as a possible candidate for the position of Central Bank chairman (if Paramonova is not approved). Khalanskiy, however, said in a SEGODNYA interview that he "has already worked in Moscow and is not going to go back there." Khalanskiy must have more enthusiasm for carrying through the city administration's plans to attract banking capital.

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Central Bank Decisionmaking Seen as 'Paralyzed'

MM0906124495 Moscow IZVESTIYA in Russian 8 Jun 95

[Article by Yevgeniy Vasilchuk under the general headline: "The Economy Groans Beneath the Heavy Burden of the Strengthened Ruble" — from the "Financial IZVESTIYA" section page I]

[FBIS Translated Text] The government and the Bank of Russia have become nervous under the influence of inflation, which is stubbornly refusing to retreat, and of the massive "flight from the dollar," which is becoming uncontrollable and unpredictable in its consequences.

In an attempt to calm inflationary expectations and the agitated currency market, the Bank of Russia "leaked" information about the size of its currency reserves as of the beginning of June — $9 billion. Thus in four months this indicator increased by $4.5 billion, which is equivalent to an expansion of the ruble money supply by approximately 20-21 billion rubles [R].

On the one hand, this is not as much as you might have supposed on the basis of the extent to which the dollar was "pushed" beyond the R5,000 mark in February-April. Furthermore, in this case the expansion of the money supply took place via faster growth of the reserve component, which does not directly affect inflation, although it worsens the structural parameters of the money supply.

On the other hand, the situation prevailing on the Russian currency market at the start of the summer can indeed be described as a crisis. The accumulation of masses of reserves is stimulating credit expansion and the money supply in the economy, even despite the increase in normatives and the tougher demands for mandatory reserves.

At the same time, the speculative downward pressure on the dollar by the main currency market players inevitably also entails a mood of panic among all residents holding internal dollar assets. The Central Bank has been forced to curb the decline in the dollar exchange rate. However, when it is a question of overcoming a trend and returning to the optimum tactics for maintaining a nationally fixed ruble exchange rate, its scope is limited by the pledges to the IMF and by the surplus ruble and hard currency reserves created by the Central Bank itself.

Once again, as on the eve of the October 1994 "Black Tuesday," the day-to-day decisionmaking machinery inside the Central Bank appears paralyzed at a time when there are unpublicized differences among the cabinet leadership over questions of exchange rate policy. The position of the Presidential Staff also remains unclear. For the umpteenth time the lack of coordination in economic decisionmaking is jeopardizing the well-being and interests of Russian citizens.

Although the Russian economy's "dollar disease" is only too far advanced, nevertheless the Central Bank is entirely capable of preventing future upheavals on the Russian currency market: All it needs for this is the president's sanction to return to a policy of a stable ruble exchange rate.

The increase in food prices caused by the hike in import tariff rates is less amenable to treatment. The "one-shot" increase, when the effects will be at their maximum, may reach 15-20 percent in August-September, which will translate into an extra 5-7 percent on the inflation index.

But, taking the broad view, the percentages are not the issue. Once competition from imports has lessened, the higher level of prices (more than double for some items) in the major cities will certainly start to attract food producers from the regions. However, the food balance of the Russian heartland, in contrast to the capitals, is now by no means all that satisfactory. Leaving aside the negative social consequences of possible interruptions in food supplies, Russian provincial leaders will be forced to resort to proven administrative methods of "protecting" oblast markets. Thus the noble intentions of protecting Russian agricultural producers from foreign competition may in fact provoke a new round of fragmentation of the Russian market.

Article Analyzes Monthly Pay Statistics

MM0906131395 Moscow TRUD in Russian 7 Jun 95 pp 1, 2

[Report by Vitaliy Golovachev: "The Glory and Misery of Russian Pay. Average Per Capita Income in Moscow was 1.275 Million Rubles, While in Penza Oblast It Was Only 202,000"]

[FBIS Translated Text] Many Russians have been saying for a long time that our pay is "weighing" less and less. In real terms (taking inflation into account) it is shrinking like the wild ass' skin. In absolute terms, in rubles, everything appears to be fine, with pay increasing by an average of 20,000-40,000 rubles [R] per month in recent months, but no one is deceived by appearances: Its purchasing power is declining all the time.

A curious table has been compiled by Russian State Committee for Statistics staffers. [table not published] On the left you have pay in absolute terms, month by month, beginning in the prereform period; on the right you have the same pay in December 1991 prices.

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The columns of figures reflect the vicissitudes of our reforms. In December 1991 average pay was R1,195; in 1992, having fallen sharply, it fluctuated (in prereform prices) between just over R400 and R550 (the exception was December — R616). In 1993 and 1994, the picture was approximately the same, but this year saw a further fall. This is evidenced by January, February, March, and April. In April average nominal pay was R386,200 — an apparently impressive increase compared with December 1991 — by a factor of 323. But, in fact, this large sum (more than one-third of a million) corresponds to only R324, or 27 percent of December 1991 pay.

All this is worrisome. No previous year has seen such a steep fall. Even in January 1992, when "shock therapy" began, real pay was 35 percent of the previous month's pay. It did not get as low as 27 percent in 1992, 1993, or 1994. What kind of a social policy is it if, in the fourth year of the reforms, the average pay is little more than 1.5 times the subsistence wage, very close to the poverty line?

The dollar equivalent picture of our pay is indicative. From June through September last year it was $105-109, while in April 1995 it was only $76.6.

The stratification of society has reached crisis point. Whereas last winter (January) 10 percent most well-to-do members of the population accounted for 27 percent of all monetary income, in January-April this proportion rose to 38 percent. Now that is going some! That is, the rich are rapidly getting richer and more powerful, while 65 percent of the population have incomes that are lower than average.

Stratification is occurring not only among the population, but also by region and sector. Average pay in light industry and agriculture and in culture and art in April was significantly below the poverty line (in Russia, R234,000), while in some other sectors, oil extraction for example, it had exceeded 1 million in March.

A more accurate picture is provided by an analysis not only of pay, but of all income. Where, then, in Russia is life hardest? Statistics provide the answer. The largest proportion of poor people (with incomes below the subsistence level) live in the republics of Tuva, Dagestan, Adygea, and Kalmykia, and in Orenburg, Amur, and Tambov Oblasts, and, strange as it may seem, in Stavropol Kray, which has always appeared blessed with plenty. In all these regions, as the consolidated data for 1994 show, between one-third and two-thirds of the population are below the poverty line.

Many badly-off Russians have no income other than pay, and they find it difficult to live on it. In the country as a whole, the prestige of "official" earnings has slumped to an all-time low. It is characteristic that the proportion of pay in the population's overall monetary incomes fell to 40 percent in April. If one is thinking in terms of a market economy, in theory one might welcome the fact that most people have other income aside from pay. But there is a limit — when the supplementary income is 2.5 times (!) as big as the main income, you begin to wonder: How will a person regard his "official" job? There is no doubt that things have gotten out of hand in this area, so we need immediate measures to significantly adjust incomes.

Sometimes one hears it said that life is not so miserable in Russia given that the population has laid in many billions of dollars. OK, certain people have dollars, but there are other figures: In 1993 the badly-off Russians were R4.1 trillion short of the subsistence level, and last year this figure had risen to R14.6 trillion. This enormous sum is another graphic confirmation of the spread of poverty.

At the opposite pole you have the rich. Which are the richest regions and cities? Apparently, the most prosperous and most expensive city in the country is Moscow. The capital has been number one in the country since last year in terms of average per capita income. In March the average per capita income in the city was R1.275 million. This does not mean, of course, that all 9 million Muscovites are millionaires. Unfortunately, there are more than 1 million poor people in the capital who cannot make ends meet. However, alongside them you have supermillionaires (primarily people working in commercial structures and banks) living a very prosperous life and pushing the overall per capita income in the capital up to a record level.

Social problems are increasingly becoming a "hot potato," particularly in the period before an election. The solution, of course, is not to print more and more trillions and distribute them to the poor. That would be a disaster for everyone. The solution, and this has been said time and again, lies elsewhere: The revival of production and improvement of its efficiency. This requires a more rational tax policy that will not suffocate the plants, but will help give them a boost. Investments are required. There is a lot of talk "at the top" about the attraction of investment, but, unfortunately, there is no sign of any real advances. The economy desperately needs the development of small business and state support for it, but here, too, it is more a case of wishful thinking....

In May there were apparent signs of certain positive changes at the macroeconomic level, but the government must not deceive itself: Without fundamental transformations, restructuring, and more vigorous progress

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along the path of market reforms, tender shoots rapidly wither. Alas, the government has often been mistaken in its forecasts of late. Take inflation, which we were promised would fall to 6 percent in April and to 4-5 percent in May. But inflation remains relatively high: 8.5 percent in April, 7.9 percent in May....

One can expect that inflation will be difficult to handle in the very near future. In the first place, wholesale prices are rising rapidly, creating a powerful inflationary potential, and, second, by buying up dollars the Central Bank is pumping more and more trillions of rubles into the economy....

One would like to hope that the government is aware of the complexity and danger of the current situation and will not succumb to the temptation to solve current problem by printing money. Production and living standards — these are the main areas we should be applying ourselves to. This is where the bridge to the future lies.

Average April Pay in the Country's Sectors and Regions National economy as a whole — R386,200

industry as a whole — R464,200
oil extraction industry — R1,137,500
light industry — R202,900
machine building and metal processing — R339,700
coal industry — R898,300
power engineering industry — R802,600
agriculture — R158,600
transportation — R604,200
health, physical education, and social security — R271,700
education — R248,000
culture and art — R232,000
science and scientific services — R298,900
credit and insurance — R642,400
management organs' apparatus — R430,700 Moscow — R517,700
Orel Oblast — R213,000
Ivanovo Oblast — R235,000
Tambov Oblast — R216,700
Bryansk Oblast — R228,000
Penza Oblast — R202,200
Chukotsk Autonomous Okrug — R1,368,000
Kamchatka Oblast — R1,053,000
Magadan Oblast — R929,000

Halt in Industrial Slump Seen as 'Deviation'

MM0906135595 Moscow IZVESTIYA in Russian 8 Jun 95

[Article by Eduard Baranov of the Russian Government Center for the Economic Situation and Vladimir Bessonov of the Russian Academy of Sciences Computer Center: "Unloading of Currency Has Halted Industrial Slump" — from the "Financial IZVESTIYA" section page II]

[FBIS Translated Text] Calculations based on the final data for April and preliminary data for May demonstrate that the industrial slump that has been continuing since February stopped, and there was even slight growth (see graph) [Article is accompanied by graph plotting trends in industrial production since January 1993]. Of course, at present these are merely preliminary results, and the picture will become clearer once we have the final data for May and the preliminary data for June. Nevertheless, the situation in May, unlike preceding months, took shape within a scenario of the slackening of monetary restrictions. In our opinion, one of the main reasons for this slackening was the situation on the Russian currency market. Since last fall traditional levers for containing the money supply have operated in the economy, as reflected by the resumption of the industrial slump since February, accompanied by highly characteristic structural shifts. This is also attested by the slowing of the increase in the dollar exchange rate since the second half of March. As a result the dollar has to a great extent lost its attractiveness, which triggered the unloading of hard currency that begin in April. After the Central Bank introduced the new procedure for forming mandatory reserve funds for commercial banks, the latter were forced to urgently sell large amounts of hard currency, which led to the decline in the dollar exchange rate since early May. This provoked massive unloading of hard currency, which has continued to the present moment and is prompted by no means only by the requirements for forming reserve funds. The purchase of dollars by the Central Bank resulted in a sharp increase in the money supply as of April. Thus a new channel for increasing the money supply emerged via the unloading of hard currency reserves. The resultant increase in the money supply lessened the effect of monetary restrictions, as reflected by the reduction in interest rates for interbank credits and the lack of any real slowdown in consumer prices, which ought to be very marked at this time of year for seasonal reasons. In our view, the easing of monetary restrictions halted the new round of industrial slump in May.

At the same time it has to be noted that, although in the short term the present round of de-dollarization has had some positive influence on the situation regarding industrial production, in the longer term this intensive and poorly controlled process may have extremely unfavorable consequences. This is connected primarily with the intensification of the process of the strengthening of the real (adjusted for inflation) ruble exchange rate

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and the slight acceleration of inflationary processes. The result may be a worsening of the position of domestic producers on both the foreign and domestic markets, which will inevitably accelerate the slump in industrial production. All the above makes it possible to assume that the May halt in the industrial slump is a short-term deviation from a longer-term trend of moderate industrial slump, which resumed in February.

Rapid growth in the intensity of industrial production in the chemical and petrochemical industries continued in April-May. Confident growth resumed in ferrous metallurgy. The slump in the food industry was succeeded by a slight recovery. The decline in production intensity in the fuel and energy complex halted. The situation in nonferrous metallurgy, despite its characteristic fluctuations in production intensity, can be deemed stable, and the slump in machine building halted. At the same time the slump in the construction materials and structures industry accelerated, and the pace of the slump in light industry remains at its traditional high level.

According to these figures, the index of intensity of industrial production by the end of May 1995 was down by 49.2 percent compared with January 1990 and was practically unchanged compared with May 1994 (which was a "bad month").

The graph shows the index of industrial production intensity (1) and the same index without seasonal adjustment of the initial figures, which reflects the physical volume of production in the specific month (2).

Ministry Predicts Economic Outlook Until 1997

LD0806210995 Moscow INTERFAX in English 1952 GMT 8 Jun 95

[FBIS Transcribed Text] Moscow, June 8 (INTERFAX) — The Russian Economics Ministry has foreseen two possibilities for the country's economy in 1995-1997: in favorable and in less favorable conditions with regards to stabilization of Russia's economic situation.

Deputy Economics Minister Sergey Ignatyev told INTERFAX today that the first version provided for achieving financial stabilization by the end of 1995 under a monthly average inflation rate of 5% this year, 1% — by the end of 1995 and 1%-1.5% — in 1996.

The second version provided for an average monthly inflation rate of 7% in 1995, 3.5% — by the end of this year and 3% — in 1996.

Ignatyev said the country was developing "under the second version" in January-May 1995. In this period inflation was higher than was predicted, a result of the growth in prices for energy supplies, the remaining inflationist expectations, an increase in money supply, the acceleration of money turnover and some other factors.

Ignatyev said the economy would be stabilized by the end of the year. He said the GDP would be 1,500-1,600 trillion rubles and the rhythm of its decrease "will be by about two times slower than in 1994" or 7%. He said Russia's GDP in 1996 was expected to be 97%-101% of the level of that of 1995.

According to early estimates, the amount of investments during the first six months of 1995 will be 75 trillion rubles or about 80% of the same period last year. The Economics Ministry predicted for 1995 an amount of investments equal to 230-250 trillion rubles (83%-87%).

However, Russian Deputy Prime Minister Anatoliy Chubays told INTERFAX that the amount of foreign investments must rise twofold by the end of the year.

Ignatyev said that enterprises' own money, which accounted for 66%-67% of the total investments, would remain an important financing source in 1995.

Rosugol To Become Joint-Stock Company

MK1006122095 Moscow KOMMERSANT-DAILY in Russian 10 Jun 95 p 9

[Unattributed report under the "Journal" rubric: "Fuel and Energy Ministry Backs Idea of Converting 'Rosugol' Into Joint-Stock Company"]

[FBIS Translated Text] The 9 June meeting of the Fuel and Energy Ministry board decided to support the proposal by the board of directors of the "Rosugol" company on converting it into a joint-stock company. Plans call for using the federally owned shares of the sector's joint-stock companies and other firms to form the authorized capitalization of the would-be "Russian Coal Company" open-end joint-stock company. Currently the interested agencies (apart from the Fuel and Energy Ministry, there are the State Property Committee, the Economy Ministry, and the Finance Ministry) are drawing up proposals to the government on the procedure for converting the firm into a joint-stock company. This conversion should complete the sector's restructuring, the progress of which was approved of on the whole by the State Duma's committee on industry, construction, transport, and energy 8 June. According to General Director Yuriy Malyshev, the "Rosugol" state company plans to spend about 1 trillion rubles this year to restructure the coal industry. On the whole, the six-year program calls for, among other things, the closure of about 100 mines that are money-losing or hazardous to

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miners' health, including about 70 pits by [illegible] In 1996, the entire coal industry will require federal budget appropriations of at least 14 trillion rubles. Currently, the coal miners have received state subsidies worth 7.5 trillion rubles and expect to get another 2.5 trillion rubles in the second half of the year from incoming payments toward paying off Indian debt to the former USSR.

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International Affairs

Comments on Sochi Black Sea Fleet Agreement

Tarasyuk: Prelude To Yeltsin Visit

LD0906181895 Kiev UNIAN in Ukrainian 1735 GMT 9 Jun 95

[FBIS Translated Text] Sochi — First Deputy Foreign Minister of Ukraine Borys Tarasyuk and Dmitriy Ryurikov, an aide to the Russian Federation President for international issues, held a news conference on 9 June on the outcome of the signing of the Russo-Ukrainian agreement on the Black Sea Fleet.

"The meeting should be regarded as a prelude to Boris Yeltsin's state visit to Ukraine," Tarasyuk said. He believes that the atmosphere of the two presidents' meeting gives grounds to believe that all further issues will also be resolved in a constructive manner. Tarasyuk said the signed agreement is subject to ratification by Ukraine's parliament.

The deputy foreign minister believes that during the talks the the presidents were proceeding from both countries' interests. He also described the meeting as "an important stage in the process of solving the Black Sea Fleet problem. The meeting between Kuchma and Yeltsin was for the first time ever dedicated solely to the Black Sea Fleet issue."

In Tarasyuk's opinion, the agreement will have a positive effect on the solution of the Black Sea Fleet problem at all levels.

Udovenko: Navy Deployment Not Covered

LD0906185695 Kiev UNIAN in Ukrainian 1800 GMT 9 Jun 95

[FBIS Translated Text] Kiev — The Black Sea fleet agreement signed between presidents Leonid Kuchma and Boris Yeltsin does not cover the deployment of the Ukrainian navy, Ukraine's Minister of Foreign Affairs Hennadiy Udovenko told journalists upon his return from Sochi on 9 June. According to the minister, the issue is Ukraine's internal affair, not an aspect of bilateral relations.

He said: "Ukraine will deploy its fleet in its own territory in accordance with national interests."

Udovenko said that apart from the Black Sea fleet the two presidents discussed the status-quo in the Ukrainian-Russian relations, "an important factor for the improvement of the overall situation in Europe as nations look forward to our mutual agreement."

According to Udovenko, the outcome of the summit was mutual understanding achieved by the presidents on international and domestic issues. "We recognized our mutual desire to develop the Ukrainian-Russian relationship on the basis of strategic partnership," he said.

Udovenko: Summit 'Epoch-Making'

LD1006191095 Moscow ITAR-TASS in English 1904 GMT 10 Jun 95

[By Sergey Balykov]

[FBIS Transcribed Text] KIEV, June 10 (ITAR-TASS) — Ukrainian Foreign Minister Hennadiy Udovenko hailed the Russian-Ukrainian summit meeting in Sochi as an epoch-making event in the history of bilateral relations between the two countries.

"We have not yet realised the grandiosity of the move that was made there, but we are convinced we have taken a major step that has been awaited by our peoples and the whole of Europe, the calmn and quiet in which would be impossible without stable relations between the two greatest countries of the continent," Udovento told Ukrainian journalists after his arrival at Kiev's Borispol airport.

The minister said he was satisfied with the way Ukrainian-Russian relations were developing, adding that the summit meeting had been held in a working atmosphere free of political disagreements and favourable for the resolution of issues pertaining to the present and future relations between the two countries.

"Ukraine did not compromise its principles at the talks. From now on cooperation will continue in a more confidential way. The problem of the Black Sea fleet hampered our contacts, which was inadmissible. Now we have reached an agreement and the 'details' will be worked out by governmental delegations," Udovenko said.

"The Sochi accords meet Ukraine's interests," he added.

"At the same time, we admit that Russia, too, has ample reasons to justify its presence in the Ukrainian part of the Black Sea," Udovenko noted. Kiev is looking forward to Russian President Boris Yeltsin's visit to Ukraine, he said.

Black Sea Fleet Commander Pessimistic

LD1006180395 Kiev UNIAN in Ukrainian 1625 GMT 10 Jun 95

[FBIS Translated Text] Sevastopol — "The agreement signed by the presidents of Russia and Ukraine bears primarily strategic significance for the two countries' relations," Black Sea fleet commander Adm Eduard Baltin told journalists on 10 June. According to the

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admiral, the Black Sea Fleet agreement resolves the problem in general, but every practical issue needs further negotiations, which casts doubt on the possibility of its full implementation in the near future.

The commander said that the maintenance of Russian ships would be carried out in Ukraine. However, the high cost of shipbuilding and repair at Ukrainian shipyards makes it more advantageous to buy a ready-made ship abroad, Baltin said.

Naval Forces Commander on Agreement

LD1006202695 Kiev UT-1 Television Network in Ukrainian 1800 GMT 10 Jun 95

[FBIS Translated Text] Volodymyr Bezkorovaynyy, commander of Ukraine's Naval Forces, held a news conference immediately after his return to Sevastopol from Sochi.

[Begin Bezkorovaynyy recording, in Russian] There is a lot of talk to the effect that the fleet has been divided 50-50, that the infrastructure has been given away, and so on and so forth. The agreement does not abrogate Ukraine's Constitution and laws. Therefore, the government and the commissions that will work on the issue will naturally proceed from these provisions and will resolve these issues.

When we say 50-50, Article (?2) says that Russia uses the Black Sea Fleet, that it uses the fleet. This is why Article 3 stipulates that it should be determined what should be used and how. In other words, you understand that these two articles stipulated the executive chapter dealing with the procedure of dividing the ships, various technical facilities, armaments and infrastructure, so that they can be used. In other words, what is to be owned will be owned; what is to be rented, according to commonsense, logic, needs — that is proceeding from real needs — a proper solution should be found. This is how the problem should be stated.

Then, Article 4 stipulates the procedure for dividing the ships. It confirms...[pauses] As you know, it was said earlier that the property will be divided 50-50 and, as you know, the ships will also be divided 50-50, and we already signed agreements earlier, and this provision was passed. Simply, it was again confirmed that out of the 50 percent of the ships that should go to Ukraine, 18.3 percent of the overall number of the fleet's ships will go to Ukraine's Naval Forces and 31.7 percent of the ships, which we do not need, will be left to Russia on a compensation basis. Therefore, the article stipulates that 81.7 percent go to Russia and 18.3 percent to Ukraine, proceeding from the principle of a 50-50 division of their value. [end recording]

After the division of the fleet, much work will have to be done to upgrade the Ukrainian vessels to the technical standards of modern warships. It must be said that Article 6 of the agreement envisages joint use of the fleet, which implies a common effort by both parties to ensure overall security in the Black Sea region.

[Begin Bezkorovaynyy recording] There is too much speculation. As I said, the ink is barely dry, and there is already all this fuss about some sort of victory of Russia over Ukraine or vice versa. You must understand that it is a victory for both sides over the deadlock this issue was in. That is a victory. [end recording]

Lawmakers on Sochi Agreement

LD0906181395 Moscow INTERFAX in English 1514 GMT 9 Jun 95

[FBIS Transcribed Text] KIEV, June 9 (INTERFAX-UKRAINE) — Chairman of the Ukrainian Parliamentary Commission on International Affairs and Relations with the CIS Boris Oleynik has said the agreement on the Black Sea Fleet signed in Sochi (Russia) is positive.

The Russian and Ukrainian presidents, Boris Yeltsin and Leonid Kuchma, signed an agreement on the Black Sea Fleet in Sochi today. In line with the agreement the Russian Black Sea Fleet and the Ukrainian navy, which will be created in the future, will be based separately. The main base and headquarters of the Russian Black Sea Fleet will be in Sevastopol.

Oleynik told INTERFAX-UKRAINE in an interview that "some forces in Russia have recently been interfering in the Crimean problem through the State Duma which has cooled our attitude."

He said such interference violates the memorandum signed in Budapest by the leaders of the five nuclear powers, who have guaranteed the territorial integrity of Ukraine.

Oleynik emphasized the positive role of Ukrainian Prime Minister Yevhen Marchuk in the fleet talks. "This man is a true professional and he will continue to defend Ukraine's national interests in the future," he went on to say.

Oleynik said the agreement on the separate basing of the Ukrainian and Russian fleets is "the best decision." He said the basing of the Russian Black Sea Fleet in Sevastopol "somewhat violates the declaration on Ukraine's state sovereignty." "In line with the declaration Ukraine is a non-aligned state and no bases of foreign troops can be on our territory," he added.

Leader of the Ukrainian Conservative Republican Party, deputy Stepan Khmara said he believes it "illegal" to

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sign any treaty with Russian on basing the Russian navy on Ukrainian territory.

"I warned President Leonid Kuchma even before the Sochi summit that he should negotiate only on the term for the withdrawal of foreign troops," Khmara went on to say.

Khmara said "the best thing to do now, after such an agreement, is to impeach President Kuchma."

He said the agreement on basing the Russian Black Sea Fleet in Sevastopol is "anti-Ukrainian." Khmara said the agreement contradicts Ukraine's national interests.

Nationalists Condemn Agreement

LD1006191495 Kiev UNIAR in Ukrainian 1820 GMT 10 Jun 95

[FBIS Translated Text] Kiev — Ukrainian President Leonid Kuchma, who finally received long-awaited full powers by signing the constitutional agreement, was immediately forced to "use" them under brutal pressure from Russia and sign the agreement between the Russian Federation and Ukraine on the Black Sea Fleet, which threatens Ukraine's national interests, says a statement circulated by the head office of the Congress of Ukrainian Nationalists [CUN].

The CUN believes that the agreement was forced by Russia and that it violates the Ukrainian Constitution, the constitutional agreement, and Ukraine's declaration of sovereignty. The statement expresses concern at the breach of Ukraine's nonalignment status and the possible implications for the country's integration in European structures.

The CUN states that the proclamation of "strategic partnership" with an aggressor state that pursues an imperialist policy and puts forward territorial claims against Ukraine is an insult to national dignity. The organization calls upon President Kuchma to take a tougher stance in relations with Russia and urges the Supreme Council to discuss the agreement immediately and prevent its ratification.

Communist Faction Opposed to Agreement

LD1006205795 Moscow INTERFAX in English 1559 GMT 10 Jun 95

[FBIS Transcribed Text] DONETSK, June 10 (INTERFAX-UKRAINE) — The communist faction of the Ukrainian parliament expressed negative attitude with respect to the Ukrainian-Russian agreement on the Black Sea Fleet division signed in Sochi on June 9, believes Ukraine's people's deputy, communist Anatoliy Khunov, member of the parliamentary Commission on Foreign Affairs and Relations with the CIS.

In an interview with INTERFAX-UKRAINE in Donetsk Saturday he reminded that members of this commission stressed the need to deploy Ukraine's naval headquarters in Sevastopol. He believes that "transfer of Ukraine's naval headquarters outside Sevastopol will strengthen tension in Ukraine." "I am astonished by this decision," Khunov said.

The agreement on the Black Sea Fleet division "will likely bypass the Ukrainian parliament without ratification," Khunov said.

Defense Minister Participates in NATO Session

LD1006095995 Kiev Radio Ukraine World Service in Ukrainian 0500 GMT 10 Jun 95

[FBIS Translated Text] Ukrainian Defence Minister Valeriy Shmarov has taken part in a NATO session of defense ministers, held in Brussels on 9 June to look at the key issues of European security, prospects of the Partnership for Peace program, and the situation in the former Yugoslavia.

At the meeting between NATO defense ministers the day before, the final communique contained one point which specifically concerned Ukrainian participation in the partnership.

Asked by journalists about such attention to Ukraine, Valeriy Shmarov said: We look on this program as one which will ensure our gradual integration into European structures. For our part, he added, we came up with a proposal to broaden bilateral cooperation under the Partnership for Peace programme, which will promote regional and European stabilization.

Valeriy Shmarov had meetings with the defense ministers of Poland, the United States, Great Britain, and Netherlands.

Russian Consul General Takes Office in Odessa

LD1006162995 Moscow INTERFAX in English 1337 GMT 10 Jun 95

[FBIS Transcribed Text] KIEV, June 10 (INTERFAX-UKRAINE) — On Saturday [10 June] Ukraine's Foreign Minister Hennadiy Udovenko handed over an exequatur (permission) to the Russian diplomat Vladimir Nemtsov who was appointed Russia's General consul in Odessa.

The Odessa consular district is made up of the territories of the Odessa, Nikolayev, Kirovograd regions and of Crimea.

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In the course of the ceremony Udovenko expressed the hope that Nemtsov's activity on the new post "will assist in developing friendly relations between two countries."

At the same time Udovenko underlined that Nemtsov takes the office "immediately after important events." He explained that he means signing of the agreement on the division of the Black Sea Fleet by Russia and Ukraine in Sochi on June 9. "As the General Consul in the district, which also contains Crimea, you will have to deal with practical settlement of problems related to the creation of the Black Sea Fleet of the Russian Federation and of Ukraine's Navy," Udovenko said.

Nemtsov was born in 1933. He worked in different consulates of the USSR and Russia. He was head of a section within the department of consular service under Russia's Foreign Ministry.

Ukraine's Foreign Ministry reported to INTERFAX-UKRAINE that it is also planned to open Russia's General consulate in Lvov, it will serve Ukraine's western regions.

Kiev Replaces Peacekeepers in Croatia

LD0906201295 Kiev UNIAN in Ukrainian 1800 GMT 9 Jun 95

[FBIS Translated Text] Kiev — The scheduled rotation has begun at Ukraine's 60th special battalion involved in the UN confidence-building operation in Croatia, the Ministry of Defense press service told UNIAN.

One hundred and fifty servicemen arrived on the first Il-76 flight, and three more will bring the remaining peacekeepers to Zagreb to replace the 550 Ukrainians currently serving there.

The battalion's new commander is Colonel Oleksandr Bobonych.

National Affairs

Presidential Aides Blamed for Political Crisis

AU0906201395 Kiev HOLOS UKRAYINY in Ukrainian 8 Jun 95 p 3

[Report by Volodymyr Korolyuk: "The Author of the Political Crisis Is Outside of Ukraine?"]

[FBIS Translated Text] On 6 June, the Supreme Council Press Service organized and held a news conference for Ukrainian and foreign journalists with Ukraine's people's deputies P. Movchan (the "Statehood" group) and O. Novykov (Interregional Deputies Group). The motto of the news conference was "State. Power. Law."

In the opinion of P. Movchan, the presidential edicts on polling went beyond the legal area and could lead to establishing the power of a single person that nobody knows who might take advantage of. He referred to the statement by G. Yavlinskiy, leader of the Russian parliamentary faction "Yabloko," who believes that the power of the Russian Federation president must be restricted, because today he is the general president of Russia and has absolute and unlimited power.

O. Novykov, who worked, until recently, as head of the Control Administration at the Ukrainian Presidential Administration, believes that "smart" advisers, who "strive to unleash war for the sake of establishing peace," were responsible for the exacerbation of the political situation in our state.

As O. Novykov put it, the true author of the political-crisis scenario is now outside of Ukraine.

Thus, it is more difficult to seek compromise with such people "than to play cards with gypsies at the railroad station." If such a compromise is reached, it will only be at the expense of the people. O. Novykov paid tribute to Leonid Kuchma whom he believes to be the "best president in the worst time." However, he also said that "Leonid Kravchuk made the greatest contribution which history has yet to assess, since he did not allow even a drop of human blood to be shed, in contrast to leaders of other CIS states."

The news conference was presided over by Vasyl Ivanyn, head of the Supreme Council Press Service.

Kuchma Foreseen Annulling Edict on Crimean Government

LD0906163395 Moscow INTERFAX in English 1506 GMT 9 Jun 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Leonid Kuchma is expected to annul his decree ordering to bring the Crimean Government under Kiev's control, Ukrainian Parliament Speaker Oleksandr Moroz told deputies on Thursday [8 June].

IF Note: In a decree of March 31, 1995, Kuchma ordered to bring the regional government under control by the Ukrainian Cabinet of Ministers until the autonomy has adopted a new constitution.

Moroz said the regional government would again be brought under control by the Crimean Parliament which plans to call off a referendum on the integration of Ukraine, Belarus and Russia scheduled for June 25.

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Meshkov Sick With Diphtheria; Condition 'Serious'

LD1106144295 Moscow INTERFAX in English 1257 GMT 11 Jun 95

[FBIS Transcribed Text] SIMFEROPOL, June 11 (INTERFAX) - The state of Yuriy Meshkov, who was diagnosed diphtheria and hospitalized in Simferopol, is remaining serious, the Crimean president's advisor Aleksndr Spakhov told INTERFAX.

Yuriy Meshkov was dismissed by Kiev as the Crimean president in March 1995.

Doctor Pavel Arshinov said the state of Meshkov had not changed during the last night. He said Meshkov had been diagnosed a toxic form of diphtheria.

According to Spakhov, Crimean physicians rejected the offer of help from their Russian colleagues. The offer was communicated to Crimean doctors by Chairman of the State Duma Committee on the CIS and Relations with Compatriots Konstantin Zatulin.

The Crimean president's wife Lyudmila Meshkova, who is now living in Moscow with their son, said on the phone that she was seriously concerned about the state and security of her husband because he was in fact isolated from the outside world. She said she had to live in Moscow "because of constant violent threats to our family." Meshkova said she was going to ask the State Duma and international organizations to send a group of medical specialists to Crimea. She said that despite the request of the family Marianna, the daughter of Yuriy Meshkov, was not allowed to visit her father. Marianna, a medical worker by speciality, underwent a full course of immunization against diphtheria.

Spakhov said the hospital's chief doctor Lyudmila Pykhteyeva was bewildered with the fact that Yuriy Meshkov, who had been recently staying in the Crimean parliament's building all the time and did not have many contacts with the outside world, had fallen victim to diphtheria.

Campaign Launched for Crimea's Return to Russia

LD1106154295 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 11 Jun 95

[FBIS Translated Text] The Russian Party of Crimea has drawn up a so-called act proclaiming the Russian status of the Crimean republic. Its text was made public at a 50-strong rally in Simferopol. The campaigning radicals urged the presidents of Russia and Ukraine to annul the 1954 transfer of Crimea to Ukraine and declare it legally void.

The party made its statement as Ukraine and Russia reached breakthrough agreements in Sochi regarding the Black Sea fleet, clearing the way for a wide-ranging treaty on friendship and cooperation.

According to a statement approved at the rally, the Russian Party undertakes to collect one million signatures from Crimeans in support of the act. The party's leaders told the rally they would give up the action only if Ukraine and Russia signed a treaty on reunification of the two Slavic nations.

Polls Suggest Economics Cause Crimean Tension

AU0906143795 Kiev URYADOVYY KURYER in Ukrainian 6 Jun 95 p 6

[Report by Vadym Vasyutynskyy, candidate of psychological sciences: "The Crimea: Positions and Moods"]

[FBIS Translated Text] Analysis of the Crimean events requires most extensive information on social moods on the peninsula. Repeated opinion polls conducted by the Scientific and Practical Center for Political Psychology at Ukraine's Academy of Political Sciences suggest quite interesting and even somewhat unexpected conclusions.

Studies have shown that, today, two problems cause major disagreements and differences: The attitude toward political and economic reforms (transition from "socialism" to "capitalism") and the attitude toward Ukrainian state independence.

There is nothing surprising about the fact that, by comparison with representatives of other regions, Crimean residents have expressed particularly explicitly their pro-Russian and anti-independence moods. However, does this mean that the opinion of the Crimeans is so unanimous? By no means. It is rather due to the fact that actual mass political awareness both in the Crimea and throughout Ukraine is characterized by a high degree of unspecified views, uncertainty of criteria, and ambiguity of assessments. This situation leaves much room for political demagogy and manipulation of public opinion.

Even though this may sound somewhat paradoxical, it is now possible to gain victory at any referendum by formulating questions in a suitable and attractive manner. For example, a referendum on the need for the Crimea to be a democratic and prosperous republic within Ukraine....

The results of polling confirm that this is really the case. Fifty percent of the Crimeans agreed that, politically, the Crimea must remain within Ukraine, but must enjoy full economic independence (32 percent of respondents disagreed with the idea and the rest have not made up their minds).

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Answers to the question "What political status for the Crimea do you consider to be the most acceptable one?" can be categorized in the following way: 27 percent — a multinational republic within Russia; 26 percent — a multinational republic within Ukraine; 19 percent — an independent multinational state; 9 percent — an oblast within Russia; 7 percent — an oblast within Ukraine; 6 percent — an independent Crimean Tatar state; 4 percent — a Crimean Tatar republic within Ukraine; and 2 percent — a Crimean Tatar republic within Russia. Thus, 37 percent of respondents were in favor of a Crimea within Ukraine in one form or another; 38 percent want it within Russia; and 25 percent favor Crimean independence.

The inconsistencies in the results of responses to seemingly identical questions may be accounted for by "little psychological tricks": Occasionally, a single word may change the attitude of a considerable number of citizens toward the idea.

Altogether 32 percent of respondents agreed that Ukraine must be independent; 30 percent disagreed with the idea; and another 38 percent have not made up their minds. Such or almost such a distribution of assessments has been obtained through three opinion polls conducted over last year. Don't forget, however, that once the majority of Crimeans voted for an independent Ukraine.

Another important aspect of mass consciousness is the attitude toward reforms. Here, it must be said that the Crimea occupies a somewhat special place. Pro-reform moods among its citizens are much more widespread than among residents of southern or eastern regions. It is possible to assert that what may be called the psychological readiness of the Crimeans for market relations is quite high and that this particular factor should be used by the Kiev authorities in their attempts to resolve the Crimean problem and ease tension on the peninsula. One of the main arguments (and an apt one) that the advocates of the Crimean affiliation with Russia advance is Ukraine's lagging behind Russia in reforming the economy.

Today, it appears that by resolving economic problems, the majority of difficulties in the relations between Kiev and Simferopol may be efficiently overcome.

Chernobyl Chief on Replacing Nuclear Power Station

LD0906194395 Moscow ITAR-TASS in English 1820 GMT 9 Jun 95

[By Viktor Kovalenko]

[FBIS Transcribed Text] KIEV, June 9 (ITAR-TASS) — Director of the Chernobyl nuclear power station Sergey Parashin told a press conference here today about proposals from Western countries to build a steam electricity generating station near Slavutich to replace the power producing capacity of the ill-fated Chernobyl station.

Sergey Parashin said the project would amount to conversion of the existing power plant, similar to other cases in world practice. He recalled that the United States converted the Midland nuclear power plant into a steam electricity generating station.

Parashin sounded optimistic because Ukraine was reluctant to close down the Chernobyl nuclear power station, at which one of the reactors blew up in 1986, for fear of further increasing already considerable power supply shortages in the republic.

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Belarus

IMF Presents Recommendations on Stabilization

LD0906182395 Moscow INTERFAX in English 1626 GMT 9 Jun 95

[FBIS Transcribed Text] MINSK, June 9 (FIA-INTERFAX) — The IMF has transferred to the Belarussian Cabinet recommendations on economic stabilization. If Minsk accepts the recommendations Belarus can expect to receive a stand-by credit of $250 million.

Director of the Belarussian cabinet's department Yevgeniy Bogomazov told Interfax's Financial Information Agency today that the IMF recommendations in particular provide for approving the state budget for the second half of 1995 with a budget deficit of 3 percent of GDP and liberalizing land relations.

The IMF experts also proposed to the Belarussian president that he issue a decree on creating a free land market in the republic.

Bogomazov said that before the IMF board of directors considers the possibility of granting Belarus the credit, the IMF "would like to receive a political statement or a decree by President Lukashenka prohibiting administrative intervention in price formation." Bogomazov said the implementation of these recommendations certainly depended on the president's political will.

The IMF also proposed that the Belarussian Cabinet work out and transfer to the IMF board by July 25 a program on the republic's economic development. If the Belarussian Cabinet fails to work out the program by July 25 the credit could be held up until 1996 or until the program is drafted.

The IMF gave Belarus the second part of the STF credit, for $102 million, in February 1995. Some of the money was spent on forming the Belarus National Bank currency reserves. A part of the credit was earmarked for modernizing enterprises in various branches of industry.

Second Stage of Customs Agreement Implemented

LD1006171995 Minsk Radio Minsk Network in Belarusian 0400 GMT 10 Jun 95

[FBIS Translated Text] Belarus and Russia have began implementation of the second stage of the customs agreement. According to the information from the Belarusian Government, one of the first results of the customs agreement was the reduction in the prices on oil which comes from Russia. Today our republic pays almost 74 U.S. dollars for one tonne of raw oil. (?The access to other neighbors has become easier too). The cancellation of duties on export of Belarusian goods to the Russian market has brought about the economy of $112 million and [two words indistinct] of Russia of raw materials and energy carriers — the economy of $220 million.

UDPB's Daneyko Cited on Customs Union

MK1006111095 Moscow KOMMERSANT-DAILY in Russian 10 Jun 95 p 5

[Report by Anna Baneva: "Russia-Belarus Customs Union. View From Minsk on Union With Moscow"]

[FBIS Translated Text] The removal of customs barriers has become a subject of the most acute debate in Belarus of late. The widely told joke there last week was: Belarus has now pushed its borders wide to include Vladivostok. Independent economists, however, think there is no cause for joking, since they very much doubt the possible advantages accruing to the republic from the customs union. Pavel Daneyko, director of the Privatization and Management Institute and member of the United Democratic Party of Belarus (UDPB), thinks that the introduction of Russian customs rates on the territory of Belarus would further worsen the already sorry state of Belarusian industry.

The UDPB was created in 1990, and is a democratic center party. It primarily advocates the republic's statehood and the holding of economic reforms. It suffered a defeat in the elections for parliament. The UDPB pins its hopes in future elections on forming a bloc with the Civilian Party, in particular.

The customs union's central idea is actually to extend Russian tariffs to Belarus borders. Pavel Daneyko explains the implication for Belarus of the introduction of new customs duties with this example. The Belarusian "Milovitsa" factory, specializing in making underwear, buys fabric in Latvia, Germany, and Israel. With an increase in duties (by 30 percent, as is expected), the factory would be obliged to buy inferior-quality fabrics in Russia, or the prices of purchasing from steady suppliers would shoot up. As a result, the price of finished products would rise, sales would decline, and storage facilities would become overstocked once again. Mr. Daneyko thinks the only enterprises to benefit from new customs duties would be those that primarily use Russian raw materials, that is to say, energy-intensive, metal-intensive, and other such production. As for the more dynamic and promising sectors, such as electronics, instrument-making, light and food industries, they will be doomed.

According to the UDPB's economic program, Belarus is to be a completely free zone for the movement of capital and goods. The first step should consist in the maximum

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reduction of export and import duties. Daneyko thinks the idea of the Russian market being the only way out for Belarus is the politicians' profound delusion. The desire to become tied to the Russian market, he thinks, would in the future have a negative impact on the republic's industry. Today, Belarus products on the Russian market are low-priced and of sufficiently high quality for the poor. If Russia forges ahead soon — and this will most probably happen — many will start to get rich and buy pricier goods. As a result, Belarus will, absolutely objectively, start to lose the Russian market. The more so because, in putting out cheap products, the effectiveness of the Belarusian economy will be low, hence there will be no capital accumulation from operating on the Russian market to cure industry. Daneyko thinks that integration should be developing from below, proceeding from the specific requirements of business rather than politicians' desires, in which case relations between Belarus and Russia may be mutually advantageous. Besides, if one adds up all conditions provided for in the customs union package, for example the maintenance of military bases and so on, there is no knowing if Belarus stands to gain from this union. In any case, the money saved on lower oil prices would, most likely, go to inefficient enterprises and the housing and utilities sector. Should Belarus be able to cut the price of oil by 10 percent through energy saving, this would be a victory. But in order to rebuild a really existing economy, it is necessary to get real prices of the world market. Instead, pressing Russia for preferential prices, Belarus is creating a false picture of its well-being. Daneyko drew an analogy of giving a pain killer to someone terminally ill.

The UDPB's economic program includes a rather standard package of reforms. It does not copy the Russian experience. The goal of privatization, under the UDPB program, is not only a change of owners but also the creation of a capital market, without which economic development is impossible. In particular, in a public floating of enterprises there should be a simultaneous sale of blocks of shares for checks and a stage-by-stage sale of shares via a stock exchange or an alternative market. This road is important also because the joint liability of the board of the oversight council and the president of a joint-stock company would make it possible, as early as in the stage where the joint-stock belongs to the state, to go ahead with the process of restructuring and shedding superfluous funds of enterprises which would result in the creation of a market of cheap investment resources. Thereby, via privatization, private businesses will become active, which would provide financial resources for clearing up the finances of state-run enterprises. As for the hardest problems of all — the creation of a market for land, in particular the rights of ownership, the UDPB preaches the principle of minimum state interference. In accordance with the party's program, plots of land taken up by joint-stock enterprises should be declared their property, while mortgage banks should be set up in rural areas to finance buyers of land. The UDPB believes the creation of land legislation is the central task in the shaping of a market-driven economy.

Lukashenka Explains New Economic Draft Decree

LD0906161595 Moscow INTERFAX in English 1358 GMT 9 Jun 95

[FBIS Transcribed Text] MINSK, June 9 (INTERFAX-WEST) — The leaders of ministries and departments in Belarus will receive their monthly salaries only when "the last retired person gets his pension," President Alyaksandr Lukashenka told the Cabinet of Ministers and Security Council's full session Thursday [8 June].

As he said, his draft decree will mean an extension of the working day for leading officials, and the granting of additional powers to cabinet ministers "so that they can have enough authority to be responsible for."

Lukashenka suggested that, with a view to stepping up economic progress, "officials should be called to account, up to standing trial, for delaying payments."

The president said that he will do his best to bring into force normative, and subsequently legal, acts on promissory notes and bankruptcy as soon as possible.

Lukashenka believes that the Belarussian government "must not let the prices grow by any means." According to him, Belarus citizens will not be able to stand price hikes exceeding 1 percent a month.

The president urged those attending the session to consider the possibility of cutting prices of goods that have to be sold within 30 days by 25 percent.

Turnout in National Elections 'Extremely Low'

LD1106141195 Moscow ITAR-TASS World Service in Russian 1130 GMT 11 Jun 95

[BELINFORM for ITAR-TASS]

[FBIS Translated Text] Minsk, 11 Jun — The elections of representatives to the local bodies of representational power are being held today in Belarus. As in parliamentary elections, the election campaign is being held on the majority principle. Political parties and movements have a right to nominate their representatives by collecting signatures or at meetings held for the electorate locally.

In total, 35,000 candidates are competing for deputy mandates in 6,698 election wards. However, just as in

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the May parliamentary elections when only 120 out of 260 deputies of the Supreme Soviet were elected, today's elections demonstrate extremely low activity of the populations. By 1000 today ballot papers were issued to only 8.4 percent of the voters. By 1500 local time this figure increased to 28.8 percent on average for Belarus. More than one-third of the electorate cast their votes in five of the country's six regions. For the elections to be valid, a turnout of at least 51 percent is required.

Election May Be Annulled

LD1106182595 Moscow ITAR-TASS in English 1806 GMT 11 Jun 95

[FBIS Transcribed Text] MINSK, June 11 (ITAR-TASS) — Belarus' local elections on Sunday revealed a striking passivity of the electorate as only 38.8 per cent of eligible voters had cast their ballots by 19:00 local time.

This figure was much lower in Minsk — 13.9 per cent, while at least 51 per cent is necessary for the election to be valid. The voters were most passive in the Grodno and Brest regions.

The voting was more brisk in the rural areas where the required number of voters had attended the polls by 19:00.

The voting continues, but observers say that the election may be annulled since it is unlikely that people who are returning from their countryside houses and picnics will rush to polling stations.

There is yet another aspect to it. Billions of rubles spent on the elections from the always empty state coffers have been wasted for nothing. In addition, previous experience shows that voters are even more passive in the run-off elections.

Elections Reportedly Invalid in Minsk

WS1206080695 Minsk Radio Minsk Network in Belarusian 0700 GMT 12 Jun 95

[FBIS Translated Text] The elections for deputies to local soviets at all levels were held in our Republic yesterday. It was necessary to elect more than 28,000 deputies. In total, 36,808 candidates competed for these seats. There were more than 10 candidates for one seat in some constituencies, therefore it was not easy to make the correct choice. What are the preliminary, unofficial results of the voting?

In a number of places, these results are not very comforting. This primarily refers to the capital of the Republic, where only 19.1 percent of those eligible to vote went to polling stations and cast their ballots. This figure is twice as low as the turnout in the second round of parliamentary elections and almost three times as low as the turnout in the first round. Therefore, there are opinions in the Central Electoral Commission that the elections were invalid in all Minsk constituencies. People in the Central Electoral Commission are inclined to think that the elections were valid only in the countryside and small towns. Regarding big cities, the situation there is almost the same as in the capital of the Republic.

We will cite some more figures here. In Brest Oblast, turnout was 50.2 percent, in Vitsebsk Oblast — 53.0 percent, in Homel Oblast — 56.2 percent, in Hrodna Oblast — 49.3 percent, in Mahilyow Oblast — 53.5 percent, and in Minsk Oblast — 57.2 percent. Average turnout in the Republic stood at 47.6 percent. The situation indicates that it will be necessary to hold a second round of elections in a number of constituencies, including the capital. More detailed unofficial results of the voting in the elections for representatives to the local bodies of power will be made known in about two days, we were told at the Central Electoral Commission.

Moldova

Romania's Gherman Stresses Support for Sovereignty

AU0906155395 Chisinau INFOTAG in English 1930 GMT 8 Jun 95

[FBIS Transcribed Text] Chisinau INFOTAG, 8/6/1995 — Moldova will find Romania's constant support in consolidating its independence and sovereignty, Oliviu Gherman [president of the Romanian Senate] said at the Parliament. "Romania remains faithful to the spirit and letter of international documents acknowledged in Europe, and to the Declaration of the Sovereignty and Independence of the Republic of Moldova. I am saying that to eliminate all imaginary claims for an annexation and for incorporation of your state to Romania. The evolution of relations between the two independent Romanian states will depend on the evolution of political process in Europe in general, on development of our countries, and on geopolitical situation," he stressed. Oliviu Gherman expressed sympathy concerning President Snegur's proposition to introduce the term "Romanian language" into the Constitution. "However, the Moldovan Parliament has a full right to decide finally, and I believe the decision will be fair," he said. Mr. Gherman voiced his firm conviction that the fate of the Moldovan-Romanian relations should be determined by joint political efforts, by power structures and parliaments proceeding from common interests of development and progress, and from the necessity to deepen democratization and re-

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form. At the same time, he underlined that quite different opinions can be heard on both sides of the Prut in the spirit of pluralism and democracy, and these opinions should not infringe on the basic interests of a state where they are voiced. On both sides, we hear different attitudes to the Moldovan-Romanian ties, he remarked. "Romania will further render full material, political and moral support to our sister Moldova. We believe this is an indirect contribution to security and stability in that part of Europe," Oliviu Gherman stressed. He said there is much room yet for bettering relations between Moldova and Romania, and called the two parliaments to thus "fill the space."

Snegur Discusses Treaty, Economic Ties

AU1006164995 Chisinau INFOTAG in English 1902 GMT 9 Jun 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 9/6/1995 — Moldovan President Mircea Snegur today received a delegation of the Romanian Senate headed by Senate Chairman Oliviu Gherman.

Snegur pointed out that recent negotiations with the Dniester authorities inspire hope that the dispute in the eastern areas will be settled this year on the basis of reasonable compromises and by using political methods.

In spite of difficulties of the transition period, people's patience and trust for reform allow to move forward. This movement would be impossible also without the efficient support of international financial agencies, he said.

As for economic ties between the Republic of Moldova and Romania, the president stressed a necessity to impact a new powerful impulse for their development, because instead of active deeds the sides very often only negotiate them. For an example, he referred to the unrealized proposition to establish a free economic zone in the Iasi-Ungeni region.

The head of state underlined the necessity of working out and signing the framework treaty between the Republic of Moldova and Romania, having named as useless any more procrastination of the process.

Oliviu Gherman said that Romania has appreciated "the responsibility and audacity shown by President Snegur when he suggested to amend Article 13 of the Constitution in conformity with historic truth."

Gherman's Statements Welcomed

AU1006173495 Chisinau INFOTAG in English 1902 GMT 9 Jun 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 9/6/1995 — "The Republic of Moldova is welcoming the statement of the Romanian Senate Chairman Oliviu Gherman that his country supports our sovereignty and independence, as well as his appeal to exclude any ambiguities concerning imaginary intentions to annex or incorporate Moldova into Romania," Dumitru Diakov, Chairman of the Parliamentary Foreign Policy Committee, said to INFOTAG.

This statement may be regarded as Romania's official giving up intentions to incorporate the Republic of Moldova, he said. At the same time, quite opposite statements can be heard from Romanian politicians in a semi-official environment or at a lower official level.

"The main point is that such statements, like the one made in the Moldovan Parliament by the Romanian Senate chairman, were followed by concrete deeds to develop relations between the two neighbor states as between equal-right, independent nations," Diakov said.

In his opinion, one of such steps should be signing a framework treaty between Moldova and Romania. "If Bucharest gives up any claims for our territory, it should then give up mentioning regularly the Molotov-Ribbentrop Pact, which leaves grounds for regarding Moldova as a Romanian province," Dumitru Diakov stressed.

Earlier, the deputy chairman of the Moldovan Parliament, Nicolae Andronic, who headed a Moldovan parliamentary delegation to the recent Budapest session of the North Atlantic Assembly, said to INFOTAG that that forum also pointed out the necessity to sign such a Treaty on Friendship and Cooperation between Moldova and Romania.

A high-ranked source in the Moldovan Ministry of Foreign Affairs said to your correspondent that the treaty drafting began as long before as in 1992, when the young independent Moldovan state had no such treaties concluded with any other countries. Since that time Chisinau has already signed a dozen of such treaties with various countries, but the Moldovan-Romanian document drafting has been practically stopped.

This became particularly evident after the Agrarian Democratic Party came to power after the February 1994 parliamentary elections, to an utter discontent of many political forces in Romania.

The same above source said the drafting is practically at a standstill at present. Moldovan experts consider it impossible to continue preparing the old draft, for it is based on "unacceptable principles of a gradual unification of the two states."

Representatives of the Moldovan Parliament and Romanian Senate are generally satisfied about the results of

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the Romanian delegation's visit to Chisinau. They stated at today's press conference that concrete results of the visit may be judged about only some time later, when they will be visible in practice.

Commenting a possible unification of the two countries, Oliviu Gherman has stated that "with a due account of the current transformations, of the unity of our origin, language, traditions and culture, there are substantial prospects for such a union."

"This should be in no case understood as anybody's wish. This may only be the final act of a normal evolutionary process supported by the two countries, when all political forces come to believe that this would be an optimum decision. And this should be a political decision supported by people's will," Gherman said. Moldovan Parliament Chairman Petru Lucinschi said he had hundreds of times stated his opinion on the matter. Its essence is that "in perspective, Moldova is viewed in renewed Europe, and only time will show what will be its path to that."

"This problem should be solved in the context of all-European processes, in accordance with peoples' wish. This is a problem of the future, and we cannot say how our children and grandchildren will solve it," Lucinschi said.

Your correspondent asked Mr. Gherman about his attitude to the dual citizenship problem. Such dualism is prohibited by the Moldovan Constitution, but nevertheless some Moldovans assume the Romanian citizenship, too. On which Oliviu Gherman replied, the problem was in the competence of the Chisinau authorities. Petru Lucinschi said, Moldova and Romania should not have such problems at all. But currently, it would be better not to touch on them, so that to let passions calm down.

Negotiations on Romanian-Moldovan Treaty To Resume

AU1006173695 Chisinau INFOTAG in English 1902 GMT 9 Jun 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 9/6/1995 — Experts of the Moldovan and Romanian Foreign Ministries will resume drafting the framework Treaty of Friendship and Cooperation between the two countries in July, Petru Lucinschi stated at today's press conference on the result of the Romanian Senate delegation visit. According to him, there are no principal controversies about the draft. The sides have agreed about a necessity to intensify the work. Lucinschi and Gherman expressed confidence that the treaty should be drafted and signed only in a way to serve the good of both states. The Romanian Senate Chairman said there are certain differences in approaches to the drafting. "We accept only a scientific approach. We want to say definitely that two times two is four, not 'maybe four'. For us, it is difficult to accept inherited non-scientific and subjective concepts, and we insist on a scientific approach. In Chisinau, we have felt the Moldovan side's readiness to such an approach. This will simplify the experts' work," Gherman said. Prime Minister Andrei Sangheli said in his interview published by NEZAVISSIMAYA MOLDOVA today that "Romania seeks to sign a specific treaty, which would account for the Molotov-Ribbentrop Pact. It is not difficult to guess what is behind that. And the Moldovan Government intends to approach to the issue form the viewpoint of European standards".

Article on Reaction to Lebed's Resignation

AU0906155795 Kiev HOLOS UKRAYINY in Ukrainian 8 Jun 95 p 6

[Report byy HOLOS UKRAYINY correspondent Svitlana Chala from Chisinau: "A New Lebed Is Needed for the 14th Army"]

[FBIS Translated Text] Even though General Lebed, as a controlling factor in the Dniester Region, suited the Moldovan leadership perfectly well and this was repeatedly stated, the reaction to the Russian 14th Army commander's resignation turned out to be less categorical than one might expect.

It is true, though, that in accordance with information received from circles close to President M. Snegur, the latter wrote to B. Yeltsin and expressed his positive attitude toward the general and Moldova's desire to see him at the head of the Russian military presence in the Dniester Region. This was a repetition of the situation that took shape half a year earlier. A. Sangheli, Moldovan prime minister, stated that the Russian Defense Ministry's decision may lead to an aggravation of the situation in eastern Moldova, where large amounts of weapons, hardware, and ammunitions have accumulated. However, at one of his recent news conferences, President M. Snegur pointed out that it was up to the Russian supreme commander, that is to speak B. Yeltsin, to decide whether or not he should leave the 14th Army commander in his post. However, if the resignation is accepted, Moldova will insist that the new commander who will replace Lebed will have full control of the situation and will prevent the looting of military depots. To put it differently, instead of Lebed, yet another... Lebed is required.

In the opinion of the Army's Military Council, the Defense Ministry decision will lead to total chaos at military depots. Of particular concern is one of them — in the Kolbasnyy Village, where weapons and

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ammunitions of the former Odessa Military District are stored. According to Lebed, it may take 2,600 vans to transfer all of that.

At the same time, the Russian peacekeepers who serve in the Dniester region believe that the "golden trains" are mythical, Yuriy Bychkov, a representative of the Russian Foreign Ministry, said about the conclusion by experts in scrapping ammunitions who had visited the Kolbasne Village 10 days earlier. In their opinion, more than 40 percent of the shells are not fit to be shipped to Russia, as they are no longer usable. Their entire amount may be smelted at the Rabnita Metallurgical Plant in that same Dniester Region. Military specialists believe that this will not be expensive, and that the Russian Defense Ministry might, if it wishes, start resolving this problem right away. Russian peacekeepers may control the situation near the depots and prevent the entire property from being to plundered. Military observers from Russia, Moldova, the Dniester Region, and Ukraine might monitor the withdrawal of the weapons. According to Yevhen Levytskyy, Ukraine's temporary charge d'affaires in Moldova, Ukraine does not, in principle, object to this.

Paramilitaries Seek 14th Army Weapons

LD0906200495 Moscow NTV in Russian 1800 GMT 9 Jun 95

[FBIS Translated Text] We have received an unusual report from the Dniester region today. Tiraspol's military commandant [Mikhail] Bergman said that there are representatives of the Ukrainian UNA-UNSO [National Assembly-National Defense] organization and Chechen groups in the Dniester region now. They are waiting for the finale of General Lebed's resignation saga, so that they can then divide the arsenals of the 14th Army.

Defense Minister Praises Adopted Military Doctrine

AU1006143395 Chisinau INFOTAG in English 1930 GMT 8 Jun 95

[FBIS Transcribed Text] Chisinau INFOTAG, 8/6/1995 — Moldovan Deputy Defence Minister, Brigadier General Tudor Dabija said the adoption of the republic's military doctrine "is of extreme importance for the national armed forces." The Parliament passed the document at the second reading last Tuesday [6 June].

Dabija pointed out as a very positive factor that the document stipulates observance of neutrality by Moldova, defence doctrine, deliberate refusal to seek for a potential enemy. In his opinion, all this provides good prerequisites for the further building of the national armed forces.

"At present, the second stage of forming the Moldovan Army has been completed. We have formed regular troops with an optimum size of personnel and modern structure," Dabija said.

Party of Social Progress Established

AU1006174795 Chisinau INFOTAG in English 1902 GMT 9 Jun 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 9/6/1995 — A new political force appeared in the republic — the Party of Social Progress of Moldova (PPSM). Its constituent congress was held last Thursday [1 June]. The forum elected Eugen Sobor, director general of the National Cinematography Center and the USSR-epoch secretary of the Central Committee of the Moldovan Communist Party, chairman of the PPSM. His five deputies are Academicians Nicolae Andronati and Tudor Tardea, Parliament members George Marin and Valeriu Cebotari, economist Boris Postoronka. Entrepreneur Ludmila Borisova was elected Auditing Commission chairperson.

The party seeks to attract broad layers of population to its ranks, and the wide spectrum is represented in its Republican Board. Almost half of the board are scientists, economists, people of business.

The congress approved the party's charter. The leader shall be elected on an alternative basis during Moldovan presidential and parliamentary election campaigns.

In the congress lobby, delegates mentioned four names for the post, including that of Petru Lucinschi, Parliament chairman. Political observers are synonymous in an opinion that party organizers were offering three of the candidatures to distract public attention, because the party "is being formed specially to support Lucinschi at the next presidential elections in end-1996."

Petru Lucinschi and several more parliamentarians who were on the Agrarian Democratic Party's [PDAM] election lists are still not members of the PDAM. It is expected that after the PPSM is finally settled, the Lucinschi-supported deputies will officially join it. Then the schism in the PDAM, much spoken about recently, will become evident.

The resolution of the congress reads that the party stands up for cooperation with all political forces for solving the Dniester dispute. Eugen Sobor said to INFOTAG, nobody is attending to the Dniester problem at present, and for the new party this will be a priority.

Sobor emphasized: The PPSM is not an opposition party. It will conduct a policy of a critical constructivism, propose new ideas and alternatives for solv-

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ing burning problems. Answering INFOTAG's question whether or not the party elected several Parliament members to its governing structures to expand its membership at the expense of other parties, Sobor replied that "other parties may not worry about that."

"Deputy George Marin was on the PDAM list during the elections, but he is not a member of that party. Valeriu Cebotari was expelled from the PDAM Executive Committee and was practically forced out from the party activity. There are some other deputies among us who were elected to the Parliament on party lists but are not members of any parties, so they may join the PPSM.

"However, we put the chief emphasis on rank-and-file party members who remain passive toward either of almost 30 parties existing in Moldova. A bright evidence of that are the latest local elections, when over 500,000 voters, not to mention Dniester, did not come to polling stations. And we count exactly on raising their political activity," Eugen Sobor emphasized.

Former Communist To Head Gagauz Administration

LD1206091095 Moscow ITAR-TASS World Service in Russian 2335 GMT 11 Jun 95

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Translated Excerpt] Chisinau, 12 Jun — Georgiy Tabunshchik, former communist leader of the Komrat region, has been elected as first bashkan (head of administration) of the autonomous Gagauz area in the south of Moldova. According to the preliminary results received today by ITAR-TASS he overtook his rival Mikhail Kendigelyan, former parliamentary chairman of the self-proclaimed Gagauz republic, by a considerable margin. These elections were almost predictable: the Gagauz population is tired of present radical leaders and has voted for stability. [passage omitted]

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Kazakhstan

Nazarbayev Attends Geneva Disarmament Conference

LD0906162195 Almaty Kazakh Television First Network Program in Russian 1100 GMT 9 Jun 95

[FBIS Translated Text] As is known, our country's president, Nursultan Nazarbayev, is on an official visit to France and Switzerland. Today we received a report by satellite from our special correspondent.

[Begin unidentified correspondent recording] The UN conference on disarmament takes place every year in Geneva. Kazakhstan, which has been given observer status, is participating in the conference for the first time. And the first ever speech at it by our president, Nursultan Nazarbayev, at once attracted the attention of the participants in the conference with its new and concrete elements.

New challenges and a new vision of the processes of disarmament and international security — this is how he outlined the aim of his address. In other words, at what stage are the world disarmament process and global security at present, and what challenges will we have to respond to by the end of the century?

To this end he singled out three main problems. First, the effectiveness of existing systems of international security and disarmament — given that the systems that exist today can hardly be considered effective if they do not stop the processes of tensions increasing.

The second problem: What will the trends of development in world conflict potential be by the end of the century? They will be defined by the geoeconomic trends of the end of the 90s: This is, the creation of three new major world economic centers in North America, Western Europe, and Southeast Asia. Africa will wake up too. All these cannot help but lead to a search for a new world strategic balance, including balance in the sphere of security systems. If these trends strengthen, there will be grounds for supposing that the world conflict potential will also increase and bring forward new challenges.

Finally, the third problem [not further elaborated]: This will be decided in connection with the representatives of the Third World. In all probability the time itself demands that the United Nations and other world structures disarm, concentrate their activities on patronage, and create, first and foremost, effective systems of regional security, Nazarbayev stressed.

On the same day the Kazakh president met Mr. (Fal), the director of the Human Rights Center, Mr. Yves (Bertello), economic secretary of the Economic Commission for Europe, and also visited the International Red Cross Commission, where he had a conversation with its president, Mr. Sommaruga. Afterward Nursultan Nazarbayev held a news conference at the building of the UN's European office. [end recording]

Foreign Oil Company Figures Received

LD1106095395 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 9 Jun 95 p1

[FBIS Translated Text] Prime Minister Akezhan Qazhygeldin met with representatives of a number of foreign oil companies yesterday and held a so-called tender conference. The conference discussed the forthcoming tender for acquisition of the assets of three domestic oil companies, described as joint-stock companies in our country: Yuzhneftgaz, Aktyubinskneft and Chimkentnefteorgsintez.

A very serious offer has thus appeared on the privatization market. These joint-stock companies incorporated three oil fields - Zhananzhol, Kenkiyak and Kumkol, oil pipelines and the Chimkent oil refinery. Will buyers be found? Judging by the interest which Western oil companies regarded as authoritative in the business world showed in the tender, there will.

If the forthcoming tender is viewed as another step along the road of global denationalization and privatization of property, then it is a typical event. However, it is one thing when Western companies privatize a tobacco company or a margarine plane, and quite another when it comes to major parts of the oil and gas industry, the bedrock of the economy.

The sale of these joint-stock companies' assets promise $3 billion in budget revenues, according to the most modest calculations. This is naturally without counting the investments, which are no less important than direct revenues and which are impossible to calculate at the moment.

The deal will make construction of the east-west (Kenkiyak-Kumkol) oil pipeline - a truly destiny-making project for Kazakhstan - a reality. This will rid the republic of its need to buy Russian oil and allow it to supply its own economy with fuel and lubricants, and not get nervous every time the sowing-machines and combine harvesters have to be taken out into the fields.

Skeptics may doubt this last assertion. Will the new owner of Yuzhneftgaz, Aktyubinskneft and Chimkentnefteorgsintez not channel the river of oil outside our republic's borders? If they do, then it will only be part of the river, the part left over after the petrol and diesel requirements of the vast Central Asian region, where about 30 million people live, have been met, in other words, not just Kazakhstan.

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It is all about prices, which will be set not by government bureaucrats but purely by supply and demand and the costs of extracting and refining oil. Why transport or pump oil for miles when you can sell it outside the refinery gates?

Apart from anything else, privatization of the three major joint-stock oil companies by Western companies (and Russian firms, too, will be able to compete for the right to own the assets) will make it possible to use modern oil extraction, transport and refining technology, provide highly-paid jobs to many of our citizens - and not only oil workers - and solve many of the social problems facing the population in the areas where the privatized sites are located.

For the moment it is hard to judge who will be the owner of the shares in Yuzhneftgaz, Aktyubinskneft and the Shymkent oil refinery, or what their share will be - 90 per cent of the assets of these joint-stock companies are on offer. Much will depend on how much the potential buyers are prepared to pay and whose economic management plan is more profitable for the owner, i.e. Kazakhstan. According to Akezhan Kazhegeldin, who answered the numerous questions put by potential investors, preparations for the tender will be conducted in an extremely intensive manner. The rules for the tender will appear within two weeks, and the first phase of the tender, which will, undoubtedly, be at the centre of attention of all world-class oil companies, will be held in September and October.

Japanese Firm To Manage Kazakh Metals Plant

LD0906193695 Almaty Kazakh Television First Program Network in Russian 1400 GMT 9 Jun 95

[FBIS Translated Text] As you will remember, yesterday we promised to tell you about the Yermakovskiy ferrous alloys plant, which, by decision of the republic's government, was put under the management of the Japanese company Japan Chromium Corporation. Today's report is about the investors' plans to stabilize production.

[Unidentified correspondent] It has seemed recently that the Yermakovskiy ferrous alloys plant will simply cease to exist. The plant's immense debts and severing of numerous connections with partners have brought the once powerful enterprise to a deep crisis. The level of production has fallen to 30 percent. The despairing metallurgists found the decision by the Cabinet of Ministers to hand over management of the plant to the Japan Chromium Corporation to be the only way out.

The investors, who have undertaken to maintain production over five years for two percent of the profit, have pledged to clear all the debts of the Yermakovskiy plant, which amount to over 5 billion tenge. They have also promised that the competitiveness of the enterprise's products will be restored. But what is most important is that the managing firm is to settle all arrears of wages, pensions, and benefits in the near future.

[Begin D. Duysenov recording, vice president of the holding company Kazakhstan Chromium Invest] The basic text of the agreement concerns the main points directly related to the life of the work force. These are: Preserving jobs, maintaining the existing social system and developing it if there is a need to do so, including carrying out some organizational and structural reforms so that everything works for the personnel. [end recording]

[Correspondent] The investors have worked out a multistage program on stabilizing production. It includes a basic increase in output in accordance with demand on the world market, the details of which are being studied by an auditing group set up for this purpose.

For today, a number of payments have already been made that have enabled the resumption, after a long break, of raw material deliveries. Investors from the Japan Chromium Corporation are promising to double the volume of ferrous alloys produced by the end of the year. After seeing the present state of the Yermakovskiy plant, if these results are achieved it could be called an economic miracle.

Paper Wants Soviet Media Influence Combatted

LD1006170795 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 9 Jun 95 p3

[FBIS Translated Excerpt] As part of the state apparatus, the diplomatic service was designated to carry out foreign policy related tasks. [passage omitted]

Of the many tasks being carried out by the republic's diplomatic service, the task of ensuring information independence is most important. [passage omitted] Now when almost all nations which were formerly under colonial rule are politically independent, ultra-right-wing forces in Russia have stepped up their activity. They use the concept of "a single information and cultural space," the concept of "free exchange of ideas" and others as a cover. Influential Russian newspapers, such as IZVESTIYA, ROSSIYA and SEGODNYA, are publishing provocative articles aimed at discrediting certain political events (the transfer of the capital to Akmola) or officials (articles about Nazarbayev, Akayev, and Niyazov, which stress their origins). Odious leaders, such as Zhirinovskiy, dare to make insulting remarks about our president. Slavonic communities in Kazakhstan and in other countries are being set against the indigenous population there. There have been calls for a civil war. On

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the pretext of "defending human rights," the Russian media, which dominates markets in the young states, has adopted a very hostile attitude towards nationality problems in post-Soviet territory. All that is flagrant interference in the new independent states' internal affairs. This was made easier to do by "the weak protection of our information space" (Nazarbayev). [passage omitted]

In our opinion, the new states, in particular the Central Asian states, should make a concerted effort to develop mass communications, which would reduce the national media's dependence on Russia. If this issue was included in the agenda for the forthcoming meeting of the leaders of these states, it would be a significant step towards information independence.

In his recent speeches, President Nazarbayev stressed the need to "form and defend Kazakhstan's information space." The Foreign Ministry of the Republic of Kazakhstan should, therefore, assist in reorganizing the activity of Kazakhstan's news agency in order to turn it into a body for disseminating Kazakhstan's foreign policy. Together with the Foreign Ministry, this body would take charge of policy on news-related matters. It should be authorized to perform the functions of organization and coordination. However, our agency still has no editorial office for foreign news. There is no quality translation service (except from Russian into Kazakh), nor is there a link with the world's major new agencies. The opening of KAZTAG departments and correspondence centers even in the CIS countries contiguous with Kazakhstan has been delayed many times. In the light of changes taking place in the far and near abroad, the information and propaganda activity of the Foreign Ministry itself also requires functional changes. One of its functions should be "to maintain links with society."

Our Foreign Ministry should assist in setting up International Life Departments in the Kazakh news agency, in central newspapers, and in the television and radio company, by providing them with information and analytical material.

Kazakhstan's diplomatic service should be brave enough to "give advice" to the government. Much in the republic, including our ideological sovereignty, depends on the initiatives of those who work at 65 Ayteke St.

Corporate Body Registation Edict Defined

954F2497A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 7 Jun 95 p 2

[Interview with Deputy Minister of Justice Vladimir Borisov by KAZAKHSTANSKAYA PRAVDA correspondent Galina Kim; place and date not given: "Legal Entities Will Have To Register"]

[FBIS Translated Text] On 17 April 1995 Republic of Kazakhstan President N. Nazarbayev signed an edict with the effect of law "On State Registration of Legal Entities" and a decree on implementation measures. The editors asked Kazakhstan Deputy Minister of Justice Vladimir Borisov to answer some questions regarding specific points of the new legislation.

[Kim] Why was it necessary to change the procedure for registering legal entities?

[Borisov] There are many reasons, of which I will name only a few. Until now, registration was performed by the departments of eight ministries, committees, administrations, and agencies. In these conditions, as you can imagine, it was difficult to maintain standard legal procedures. Not only foreign, but local residents who wanted to set up enterprises were confused as to where they were supposed to register. Moreover, some bodies were not subject to state registration altogether, despite possessing the rights of legal entities. A unified approach to registration activities was long overdue. In addition, it became necessary to create a data bank o legal entities, their branches and representations, as well as guaranteed legal protection of subjects' interests. This will help create trust in legal relations both between the subjects and on the part of investors. That is why the new Civil Code of the Republic of Kazakhstan (general part) tasks Ministry of Justice organs with registering legal entities. This is not accidental, since the substance of registration is of a legal nature. In addition to legal advantages, this approach also has purely economic ones, since the staff of the registration services of the Ministry of Justice system is half as large as had been involved in analogous services in the past. And something else. A unified registration system guarantees its openness and public access. The lists of registered and defunct legal entities will be published quarterly in the official press organ of the Ministry of Justice.

[Kim] What is the meaning of the system of state registration of legal entities; which ones are subject to registration, and who may be denied it?

[Borisov] The notion of legal entity is defined in Article 33 of the Civil Code of the Republic of Kazakhstan (general part). All legal entities created on the territory of Kazakhstan, regardless of the purpose of their creation, type and character of their activities, and composition of participants, are subject to registration. Branches and representations of legal entities located on the territory of our country are subject to record-keeping registration without acquiring the rights of a legal entity.

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When registration services of territorial organs of justice receive an application and other materials, it is their duty to verify that the founding documents conform to the laws of the Republic of Kazakhstan. Denial of registration on the grounds of the inexpediency of forming a legal entity is not permitted.

Ministry of Justice registration services do not interfere in the economic activities of legal entities and do not monitor them.

[Kim] Presumably, registration of legal entities is not a free service?

[Borisov] The government decree sets the state registration fee at 0.1 percent of the value of the legal entity's paid-in capital, but no less than 20 times the minimum wage, and for re-registration and issuing a duplicate certificate—50 percent of the above. Legal entities get relief from the registration fee when registration and re-registration are performed in order to bring the documents into conformance with the norms of the Civil Code of the Republic of Kazakhstan. It is another matter if the entities decide to process their founding documents quickly and reliably. Then they may use the services of a legal consulting organization for a fee.

[Kim] Who monitors the registration and what penalty does the law envisage for violations?

[Borisov] Monitoring has been assigned to the Ministry of Justice's sphere of competence. The decree prohibits legal entities from operating as such without a state registration. In the event of violations of this requirement, income earned from unregistered operations is confiscated; contracts entered, for instance, by an economic entity that ignored state registration will not be legally binding, with all the attendant negative consequences for the participants in legal relations. In addition, a penalty is imposed on a legal entity for not providing within a month information on changes that would require its re-registration. In the event of illegal refusal to register a legal entity, the applicant has the right to demand through court restitution for losses incurred.

[Kim] When will the Ministry of Justice registration services begin to accept applications and founding documents?

[Borisov] Beginning 1 August 1995 state registration of legal entities will be conducted only by organs of justice. Ministries state committees, agencies, and their organs, as well as local executive organization carrying out registration of legal entities and accreditation of the branches and representations must transfer registration materials to the Republic of Kazakhstan Ministry of Justice before 1 August. The transfer of registration and archive documents will be done through a commission and only with a protocol of transfer. Until then, registration of legal entities, as well as accreditation of their representations, must be carried out by organs currently carrying out this type of activity.

Unfortunately, some agencies, without waiting for an official mechanism for transferring current and archival registration materials to the newly created services of territorial organs of justice, folded their registration activities prematurely, which may result in unjustified financial losses for legal entities.

[Kim] How is the problem of registration of enterprises with foreign participation being handled, considering that the National Agency for Foreign Investment under the Ministry of Economics has been liquidated altogether?

[Borisov] The organizational factor should not hamper foreign investment in the republic. This is why registration of enterprises with foreign participation continues at the Ministry of Economics, whose service carried out these activities before the National Agency for Foreign Investment was created.

Answer Sought to Problem of Drying Irtysh

95WN0184A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 7 Jun 95 p 2

[Article by Zhanaydar Ramazanov, chairman of the Pavlodar Oblast Water Resources Committee: "Spring High Water-95: Results and Conclusions"]

[FBIS Translated Text] Pavlodar—For East-Kazakhstan, Semipalatinsk, and Pavlodar Oblasts, the Irtysh means cheap electric power and feed for animal husbandry, fish-breeding and fishing, navigation, and simply a beautiful river. Through the Irtysh-Karaganda canal, it has a substantial impact on the collective water mains and infrastructure of the republic's central oblasts. In short, Irtysh water is a priceless treasure that lately, unfortunately, has begun dry up.

This year's early and dry spring presented all those directly involved with the Irtysh with a difficult to solve problem. The issue is artificial high water. Its fate is governed by three factors: the stable heat background in the river basin, the snow crust in the Altay mountains, and the accumulated reserves of water in the reservoirs of the Irtysh cascade of hydroelectric stations [GES].

Well, at the beginning of the flush we had sufficient reserves of water in the Bukhtarma reservoir—38 million cubic meters, a two- meter layer of snow in the mountains, but not enough heat. As a result, the inflow of water into the Uba and Ulba rivers—tributaries

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of the Irtysh—dropped by a factor of two to three. In other words, instead of the optimum water expenditure of 1,000-1,200 cubic meters a second, its flow amounted to 500-600 cubic meters.

This immediately presented the problem of compensating for the water shortage by releasing some from the Bukhtarma reservoir in excess of what is required by power station operations. This decision was made, by the way, on 7 April at a conference held by the deputy chairman of the Water Resources Committee under the republic Cabinet of Ministers, with the participation of representatives of ministries and agencies interested in a water release into the Irtysh floodlands, including the Ministry of Power Generation and Mining Industry.

This was followed, however, by a protest to the government that such expenditure of water is not envisaged by the "Temporary Rules of Utilization of Water Resources of the Upper-Irtysh Cascade of Reservoirs," and therefore the Bukhtarma and Ust-Kamenogorsk hydroelectric stations allegedly would be working at half capacity, which would cause electric power losses. First Deputy Prime Minister V. Mette, after reviewing the protest, recommended an irrigation flush in the volume envisaged by the aforementioned "Temporary Rules...," which under current hydrometeorological circumstances would have made the work on water release difficult.

Having appraised the real situation, the release commission then decided to raise the water level in the Shulba reservoir, into which the Uba and Ulba rivers drain, two meters above the level envisaged by the design. At the same time, calculations were performed on the water release schedule, based on the Ust-Kamenogorsk GES expenditures, water inflow from the Uba and Ulba, and the volume of water accumulated to a certain level in the Shulba reservoir, and came to the conclusion that the expenditure of water released from this water-engineering unit will be close to the amount required. The beginning of high water was set for 25-26 April. Forecasts called for an unstable background with frequent temperature drops; meanwhile the vegetation period for plant growth was running out. In short, everything possible was done for the Irtysh to go into high water. But this is only a temporary and partial solution to the problem.

The free market is gathering strength with each passing year. Therefore, the old relations, arguments, and substantiations concerning the use of Irtysh water resources will have to be revised. The time has come to improve the organization of the management structure for the river basin and republic water resources as a whole. That is, to raise the status of the water committee to state level.

Each million cubic meters of water for power generation has become a source of energy calculated per kilowatt of power produced. And since water-engineering units are under the jurisdiction of the Ministry of Power Generation and Mining Industry, it disposes of water using it only for its own purposes, and without any cost at that, controlling the flood-gates at the dams from the capital. In the process, as a rule, it ignores the interests of agriculture and fishing, ecology and environmental protection, and river transport.

Further proof is that the fall-winter water flush from the GES cascade into the floodlands, which raises water expenditure to twice the normal level, has a negative impact on meadowlands and does considerable damage to agriculture over an area of more than 30 million hectares. As a result of a Kazakhstanenergo decision, in particular, 50,000 tonnes of hay, or 15 percent of all the hay mowed, ended up under water last fall. The low segments of the northern part of the floodlands became oversaturated and marshy. In my opinion, to bring order into this business a law on payment for the use of water resources for all economic sectors in the republic should be urgently adopted.

Other questions also need to be urgently resolved. The Shulba reservoir dam, for instance, was built with a crest mark at 245.5 meters, while the normal water level is set at 240 meters. This is a paradox. Who needs such a huge reserve capacity in a reservoir? Specialists estimate that the dam's safety margin permits raising the water level to the 243-meter mark. This will make it possible to accumulate additionally about 1 million cubic meters of water in the reservoir, which would raise the manageability level in the operations of the Irtysh cascade of GES, and create guarantees of water release to the floodlands while maintaining optimal operational conditions for the Bukhtarma and Ust-Kamenogorsk GES. This will also enable fully controllable navigation and will create favorable conditions for dealing with many economic tasks. And this will not require any capital investment or material-technical costs. All it takes is amending the "Temporary Rules...."

Undoubtedly, decisions on all these problems need to be handled through the Ministry of Power Generation and Mining Industry, but with the direct participation of ministries of agriculture and ecobioresources, the State Committee on Land Relations and Land Management, and the Water Resources Committee. To put it simply, what is needed is a sensible compromise so that the interests of one sector do not result in economic losses for others.

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Kyrgyzstan

Decree Adopted on Trade With Southeast Asia

LD1006103395 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 0800 GMT 10 Jun 95

[FBIS Translated Text] The republic's Government has adopted a decree on setting up a Kyrgyz State Trade House at the Ministry of Trade and Industry, with the aim of setting out and developing trade and industrial relations with the countries of Southeast Asia. The ministry is ordered to work out and approve provisions on the Trade House being set up, in accordance with this decree.

Protest Campaign Worries Japanese Hotel Investors

LD1006103195 Bishkek RES PUBLICA in Russian 6 Jun 95 p1

[FBIS Translated Excerpt] On 30 May 1995, the Kyrgyz parliament rejected a project to build an international-class Japanese hotel which had been approved earlier by our authorities. The inconsistency of local politicians is threatening to undermine the trust of international private investors, who will undoubtedly bear in mind the difficulties that befell the world-famous Japanese firm Peter Brothers Inc [as received].

The people are satisfied - only very rarely does parliament react sensitively to public opinion. However, the protest campaign led by the VECHERNIY BISHKEK newspaper revealed the hidden diseases of our democracy:

- the alleged freedom of speech: the Japanese firm was practically denied the right to speak out in its defense in the press, which in turn distorted the facts, depicting the entrepreneurs as aggressors and manipulators;
- the fragility of political guarantees: having received not only signed documents but also oral guarantees at the highest level, the Japanese party had to face the people's righteous wrath alone, as the authorities failed to advertize their good will in the project at the right moment. The president of the Japanese firm was shocked by the heated passions, as he thought the government's word was a firm undertaking, entirely reflecting the people's opinion.

Meanwhile, the mood of the people is being inflamed by mass media misinformation, which has done everything possible to make the inhabitants of the city see developments exclusively on an emotion level, without going into the details, and thereby doing our homeland a disfavor. [passage omitted]

Our worried compatriots should note that Mr. Okino, the president of the company, had thought about how to preserve the trees in the construction area before they had, and intended to compensate for any possible damage done to nature by transplanting valuable tree species to other places and to preserve everything as much as possible.

Everybody is worried by the question: "Why was a park chosen for building?" The question is that the city authorities took the decision on giving the go-ahead on the basis of the same general plan. Besides, the newspaper hysterics revealed a complete misunderstanding of the essence of the problem. According to the president of the Peter Brothers firm, Mr. Okino, who has seen the whole world, the world-class hotels intended for solid businessmen, politicians, and major entrepreneurs are basically sure to be located in the elite, administrative part of the city in any country. This is a universal requirement for hotels of such rank, as it is understood in the world that every second is precious in the life of a politician or a major businessman, packed with meetings, talks and visits, and it is very important for them to have the appropriate communications at hand and to be in the business area of the city. [passage omitted]

For the first time, such a large private investor as Peter Brothers has appeared on our country's investment market ready to take such a risky step.

Mr. Okino is a great figure in the business world, and many politicians and major businessmen are following the progress of his project, most of whom are rather skeptically disposed toward us, by the way. Wishing sincerely to help us, and worrying about us with all his heart, he says bitter words: "If I fail here, I will return to Japan and tell them about it. The minister will have to revise his decision - Can I do a such thing?" [passage omitted]

Regrettably, the Kyrgyz Republic, whose authorities first give promises and later retract them, and do not guarantee freedom of speech, is losing its democratic reputation. Potential foreign investors will think: "is it worth investing our own money in a country of heightened risk?" The state, which already refuses to grant benefit to a child despite an average family income of 250 soms, even in the case of a baby, is also depriving the child of the possibility of living well in the future, and acting irresponsibly toward hundreds of young Kyrgyz people, whom the Japanese firm proposed to provide with training, study trips, and excellent work prospects.

But we have grown accustomed to living poorly, just for today, and have grown tired of promises. All good intentions seem to us to be almost diversionary. The project proposed by Mr. Okino would have touched many families who had started believing in themselves

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and their future. One should not live in the past, condemning oneself to a dismal existence and inaction. Unfortunately, people do not even have the opportunity to obtain first-hand information, and have grown used to swallowing information cooked-up beforehand.

However, to everyone's relief, the people's park is not going to be uprooted now. The Japanese businessman, deeply hurt by the people's negative attitude, says sadly: "I like Kyrgyzstan and its people very much, and so I do not want them to take me for their enemy. I no longer intend to build the hotel in the people's park, and present my profound apologies for what has happened."

P.S. According to the latest information, on 1 June 1995, at a joint session of both chambers, with the participation of President Askar Akayev, the Kyrgyz parliament backed a proposal to build the Japanese hotel on another plot.

However, Mr. Okino is not hurrying to celebrate. He wonders whether the city council, government and parliament are able to guarantee that will be no excesses this time.

Parliament Approves 1995 State Budget

LD0906200895 Moscow INTERFAX in English 1845 GMT 9 Jun 95

[FBIS Transcribed Text] Bishkek, June 9 (FIA-INTERFAX) — On Friday [9 June] Kyrgyzstan's parliament approved the country's 1995 state budget, FIA correspondent reports from Bishkek.

In accordance with the adopted decree the budget revenues will total around 3.88 billion soms, expenditures — 5.96 billion soms (according to the National Bank's official exchange rate, 10.96 soms trades to one U.S. dollar).

Thus, the budget deficit amounts to 2.084 billion soms or 12.9 percent of the GDP. The greater part of the budget deficit (almost 63%) will be financed by foreign credits.

According to the document, the major part of the budget revenues this year will come from tax revenues. In particular, the income tax should bring to the state treasury 14.4 percent of the total volume of revenues, profit tax - 12.6 percent, VAT - 19 percent.

The decree foresees that 998.8 million soms (16.7% of all budget appropriations) will be allocated for the needs of education, for defense - 151.1 million soms (2.5%), for public health - 585.2 million soms (9.8%). A total of 758.8 million soms (12.7%) will be allocated for social maintenance and social insurance, the agricultural sector will receive 129.9 million soms (2.17%). Payments towards Kyrgyzstan's foreign debt amount to 478.4 million soms (8% of the expenditure part).

Parliament Approves Aid for Coal Industry

LD0906200995 Moscow INTERFAX in English 1845 GMT 9 Jun 95

[FBIS Transcribed Text] BISHKEK, June 9 (INTERFAX) — INTERFAX has learned that the upper chamber of the Kyrgyz parliament decided Friday to provide extra aid in 1995 to help the coal industry to pull out of its present crisis.

The parliament resolution on the issue envisages that the industry will receive the funds from the state monopoly on the production, storage and sale of spirits and alcoholic beverages, to be introduced from July 1. The Kyrgyz Finance Ministry estimates that the measure will bring about 174 million soms ($15.8 million) in all. A total of 48 million soms ($4.4 million) will go to the coal industry.

Extra funds for the coal industry are needed because, as various Kyrgyz experts believe, coal is becoming more and more important as gas and oil prices soar.

The 1995 state budget, approved by the upper chamber Friday, envisages 31.8 million soms ($2.9 million) for the fuel and energy industry, including the coal industry.

The Kyrgyz coal industry, which produced about 4.2 million tonnes of coal annually before the break-up of the Soviet Union, has been in a considerable slump over the last few years. It is planned to extract 500,000 tonnes of coal in 1995, against the 805,000 tonnes in 1994 and 1.7 million tonnes in 1993.

State Broadcasting Employees Oppose Official Control

LD1106123995 Bishkek Kyrgyz Television First Program in Russian 1400 GMT 9 Jun 95

[Appeal to President Askar Akayev, Supreme Council chairman Almanbet Matubraimov, Supreme Council Legislative Committee chairman Mukar Shaltakovich Cholponbayev, and Prime Minister Apas Dzhumagulovich Dzhumagulov, from Kyrgyz state television and radio employees]

[FBIS Translated Excerpt] Dear Askar Akayevich, Almanbet Matubraimovich, Mukar Shaltakovich, and Apas Dzhumagulovich, on 2 June 1995 the Supreme Council discussed bringing the State National Television and Radio Broadcasting Company under government control. Having heard this, Kyrgyz television and radio employees declare that they resolutely oppose the Supreme Council's intention.

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The question was included on the agenda without deep and thorough familiarization with the state of affairs in the state television and radio company. Through this, the opinions of numerous groups of journalists and engineers were completely disregarded. [passage omitted]

We consider this inadmissible, particularly taking into consideration the fact that all of us are working not in the private, but in the state structure and are helping the implementation of of economic changes, and are reinforcing civil peace and interethnic accord through our daily work.

We are sure that a superficial approach has led to a small number of deputies putting emotional pressure on both chambers of parliament. Their biassed treatment of the television and radio is based on minor misunderstanding - and not infrequently on private business matters - which could easily be resolved, if the will is there, in the course of work. However, before discussion of such an important matter of principle not one deputy visited either an editorial office or a department. We do not see why suddenly certain deputies have begun showing such an increased concern over television and radio.

During the first week alone of the Supreme Council's work two resolutions were already adopted about us. Some representatives elected by the people, who are prey to arrogance and uncontrollable emotions, are announcing all over the republic that funding of the major state system with a small private organization which broadcasts only for Bishkek and make insulting attacks and so on. They draw tendentious and far-reaching conclusions from one or two individual cases of technical defects and other insignificant errors, which cannot be ruled out in such a complicated business as television.

In such a situation the large workforce of the television and radio cannot remain indifferent and is forced to appeal to you to prevent an ill-considered decision.

Kyrgyz television and radio are guided in their daily activity by the presidential edict of the Kyrgyz Republic which defined the status of the state television and radio company by regulations which were approved by the government of the Kyrgyz Republic in May 1993, and the media law. These documents set out all the basic principles for the organization and functioning of the television and radio in the circumstances of transition to democratic society and market economy.

We are confident that there is no need whatsoever to bring television and radio under government control. The above regulatory acts presuppose that television and radio should carry out state broadcasting policy, observe the pluralism of views and noninterference into the affairs os parties, movements and ministries. At the same time, more opportunities are being provided for initiatives to earn funds through fulfilling outside orders and services, to obtain revenues which will ease the budget burden. This is essential, since the Ministry of Finance allocated us 14 million soms for 1995, in other words just 40 percent of what we requested. We transfer 60 percent of these 14 million soms to the Ministry of Communications for operating reception and broadcasting devices and to the radio and television center for technical services. [passage omitted]. To our regret, the opening of funds, even the 40 percent, is carried out with great complications, at the last critical minute.

The Central Electoral Commission should have paid over 900,000 soms to the company for its extra expenditures due to the increased air time providing wide coverage of the elections for the bicameral parliament. The deputies were elected long ago, the chambers are working, but the Central Electoral Commission has still not transferred a single tiyin to us. The Supreme Council has also paid us nothing. We cover its work widely, always overspending greatly in terms of time and funds. [passage omitted]

Because of the incompetence and ignorance of our [word indistinct] the united organization, the media which are so essential and practically the only thing available for all the people, which have been established for decades, could be destroyed by certain deputies. [passage omitted]

Resubordination of the state television and radio company, and in essence toughening control over its activity by authoritative structures would mean the abandonment of democratic principles and would elicit a negative response from the general public. [passage omitted]

We address to you an earnest request that you use all your authority, influence, and power to prevent a hasty and ill-considered decision.

Tajikistan

Rakhmanov Receives New Russian Division Commander

LD1206101195 Moscow ITAR-TASS in English 1005 GMT 12 Jun 95

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, June 12 (ITAR-TASS) — Commander of the combined peace-keeping forces of the Commonwealth of Independent States in

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Tajikistan Lt. Gen. Valentin Bobryshev today introduced to President of Tajikistan Emomali Rakhmanov the new commander of the 201st Russian motor rifle division Svytoslav Nabzdorov.

Col. Nabzdorov, 40, until now headed the division headquarters. The Russian division is part of the CIS collective peace-keeping forces.

Nabzdorov's predecessor, Maj. Gen. Yuriy Naumov has been assigned a job in the Academy of the Russian Defence Ministry's General Staff.

Tajik-Russian Dual Citizenship Agreement Foreseen

LD0906163995 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 9 Jun 95

[FBIS Translated Text] Will there be dual citizenship in Tajikistan? This issue concerns many people. One of the important areas being dealt with by the joint working group under the Interdepartmental Commission for Russian-Tajik Cooperation is this issue.

To see how realistic this is, we can refer to the available experience — the agreements signed between Russia and Turkmenistan, Valeriy Serov, the head of the Russian Federation's working group and minister for cooperation with the CIS, told a KHOVAR correspondent. The question is the extension of this experience to Tajikistan. We agreed that such an agreement will be worked out by the appropriate organizations and signed in the near future.

Karimov Signs Cooperation Protocol

LD0906205195 Moscow ITAR-TASS in English 2013 GMT 9 Jun 95

[By Galina Gridneva]

[FBIS Transcribed Text] Dushanbe, June 9 (ITAR-TASS) — "This is the beginning of a major practical work for the integration of the economies of the two countries", Tajik Prime Minister Jamshed Karimov said here today. He was speaking after signing a protocol on enhancing Russian-Tajik cooperation between the government of Tajiksitan and the Russian inter-departmental commission for cooperation with CIS countries, headed by Minister of Cooperation with CIS countries Valeriy Serov. A trade and economic agreement was also signed with the Moscow region.

Summing up the results of the Russian delegation's visit to Tajikistan, the head of the Tajik Government said that this step reiterates Russia's strive to come to Tajikistan "seriously and for a long time." The protocol envisages wide-ranging economic integration with industrial, fuel, power and other economic complexes, continuing work for the creation of a customs union and participation of Russian specialists in completing the construction of the Rogunskaya and Sangtudinskaya hydroelectric power stations.

Serov expressed his satisfaction with the visit. He emphasised that despite the difficult economic situation in Tajikistan, the republican government and officials of major enterprises have serious programmes not only for pulling out its industry from the crisis, but for also increasing production. He was convinced of this after seeing industrial giant like the Tajik aluminum plant located in the city of Tursun-zade.

Regarding the state of affairs at the Rogunskaya hydroelectric power station, which was planned as the largest heating station in the republic, the head of the Russian delegation said that its detailed study will be carried out shortly together with Tajik colleagues.

The Russian minister thinks that the question of financing the construction of this facility will be resolved positively, since, according to provisional estimates by Tajik specialists, the Rogunskaya hydroelectric power station, after its completion, may give a profit of at least 700 million U.S. dollars every year.

The Russian delegation's leader also expressed optimism in the creation of a customs union. Speaking about the implementation of the agreement on dual citizenship, he said that it can be signed by the end of this month.

Ties With Moscow To Be Expanded

LD1006103095 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 10 Jun 95

[FBIS Translated Text] Yesterday, 9 June, a news conference was held in the Government conference hall by Tajikistan's Prime Minister Jamshed Karimov and Valeriy Serov, the Russian minister for cooperation with member-states of the CIS, who has been paying a working visit to our republic. Prime Minister Jamshed Karimov said that cooperation between the Republic of Tajikistan and the Russian Federation is being extended in various domains. The Russian inter-departmental commission led by Valeriy Serov gave its approval to this once again.

Valeriy Serov said that during his several days in Tajikistan, he has learned about the republic's economic situation. He said that practical cooperation with major enterprises in the Russian Federation is planned with many of the largest enterprises in the republic, in particular the [word indistinct] plant of Tajikistan, Tajiktekstilmash, Production Amalgamation, the Dushanbe refrigeration plant, and some of the largest enterprises in Leninabad region, to which he paid working visits.

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Valeriy Serov stressed that Tajikistan has vast potential for increasing its industrial output. This work is being carried out in conditions of adjusting cooperation with the neighboring states, in particular with the Russian Federation.

Jamshed Karimov and Valeriy Serov replied to the many questions from correspondents concerning cooperation between Tajikistan and the Russian Federation in the economic and other spheres.

Democratic Party Leaders Interviewed, Seen in Disarray

MK1006095095 Moscow SEGODNYA in Russian 10 Jun 95 p 4

[Report by Leonid Velekhov under the "Opinion" rubric: "Tajikistan Is in No Mood for Elections and Amendments to the Constitution. 'There Is Actually Hunger Reigning in the Country,' Claim Opposition Democratic Party Leaders"]

[FBIS Translated Text] Bozar Sobir and Azan Afzali, members of the board of the Democratic Party of Tajikistan [DPT], shared their ideas with your SEGODNYA correspondent the other day on prospects of a peaceful settlement in Tajikistan and the situation at the inter-Tajik talks. These ideas differ from both the views of Dushanbe officials and those of the radical armed opposition, for which reason alone they are interesting to hear.

As a legal opposition organization, the DPT was in existence between April 1991 and June 1993, after which it was banned together with the movements and publications that disagreed with the ruling regime. In its heyday, the party, according to its own leaders, ran to 10,000 members. Currently it is operating unofficially, while your SEGODNYA correspondent's interlocutors do not rule out that it would be possible in the near future to register the party once again. The Democratic Party is in moderate opposition to the Emomali Rakhmonov regime. Its differences with the armed opposition — the Islamic Revival Movement led by Said Abdullo Nuri — are, as became apparent to this writer, of far more acute and fundamental nature.

Leaders of the Democratic Party think the interminable rounds of inter-Tajik talks in their present shape pointless because the opponents have not been able at all to find a common language on the issues they are discussing: a change of Tajikistan's constitutional system and transition of power from Rakhmonov's government to coalition forces. As the DPT sees it, the talks can and must discuss two questions: the return of refugees — whose number, by some estimates, has reached 800,000 — to the republic, and on legalizing parties, public movements, and independent publications. The latter would create the prerequisites for preparing free democratic elections. If the election were held now, as the radical opposition insists, the results, the DPT thinks, would be discouraging for the opposition members themselves: Rakhmonov would win once again. The situation in the republic is so difficult that people are in no mood for elections and political scuffles. Tajikistan is in fact in the grip of hunger, the DPT leaders said. A 7 June TASS report's headline alone says that our interlocutors are right: "Acute Shortage of Bread in Tajikistan. As Prices Float it May Become Out of Reach for Most People in Republic." According to this report of ITAR-TASS correspondent Galina Gridneva, the minimum wage in Tajikistan can by 30 small loaves of bread. The upcoming freeing of prices will make two-thirds of the republic's population beggars.

The political space covered by their party is described by the DPT leaders as a "buffer zone between the armed opposition and the government," while they point to the "keeping of Russia in Tajikistan" as among their main objectives. They cite the unwillingness to become reconciled with Russian influence in Tajikistan and the region as a whole as the reason for the stance of the leaders of the neighbor republics — the presidents of Uzbekistan, Kazakhstan, and Kyrgyzstan — who are now backing the opposition and criticizing the Rakhmonov regime.

According to the DPT leaders, a split is in the making in the camp of the radical opposition and the Islamic Revival Movement [IRM], which cements it; the issue is over deepening differences between the movement's leader Said Abdullo Nuri and the IRM "foreign minister" Ali Akbar Turadzhonzoda, who is conducting talks with Dushanbe officials. Generally, your SEGODNYA correspondent who talked with the Democratic Party of Tajikistan representatives had an impression of total disunity in the opposition camp. If it proves impossible to overcome it, the opposition would hardly be able ever to come to power in Tajikistan or even to become simply an influential political (I stress, political rather than armed) force — even if free elections are called not tomorrow, as the "Islamists" demand, but after a thorough "preparatory period," as the "Democrats" wish.

Opposition Leader: Democracy Only Solution

LD1106092995 Tehran IRNA in English 0745 GMT 11 Jun 95

[FBIS Transcribed Text] Tehran, June 11, IRNA — A leading politician from Tajik opposition called on the "communist regime in Dushanbe" to adopt a democratic process in order to defuse the current burning situation in the Central Asian republic.

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"Yes, genuine democratic set up is the only solution to the current political turmoil in the country," said Qadi Akbar Turajonzoda, head of the Tajik opposition delegation at the UN-mediation peace talks.

The first deputy chairman of the Movement for the Islamic Revival of Tajikistan, Turajonzoda, in an interview with IRAN NEWS, blamed Russia for the failure of the fourth round of the talks, held in the Kazakh capital, Almaty, late last month. He said, "we agreed to all the proposals tabled at the Almaty parleys and were on the verge of signing ceremonies on June 1, but unfortunately the Russian deputy foreign minister joined us and the representative of President Emomali Rakhmanov's government refused to sign the earlier agreed plan to defuse the already buring situation in the country."

If Russia dose not change it's policy regarding the Central Asian republics, nothing is going to change, said 41-year Olgltu Ajonzoda.

A graduate of Islamic laws from Jordan University, Turajonzoda said Russians want to maintain upper hand in all the Central Asian republics through presence of their forces in these newly- independent states.

According to the proposal tabled during the fourth round of the UN-initiated talks, a 60-member advisory council was to be formed with 40 percent of the members from opposition, 40 percent from the government, and 20 percent representing ethnic communities in Tajikistan, he said.

The second step for the peace process was to set up a provisional government representing all region of Tajikistan, he added.

Implementation of these proposals could pave the way for fresh elections in tajikistan which could make up for all ordeals of the Tajiks who have been suffering since 1992, when neo-communist regime came into power.

Russia has a 25,000-man troop in Tajikistan and Moscow wants to keep them there in order to wield influence in the name of peacemaking, he said waring that the present situation could disintegrate Tajikistan.

Turajonzoda appealing to the regional countries to intervene in Tajik affairs and exert pressure on Moscow to pave the way for peaceful settlement of the affairs of this republic said that the politico-economic situation has become worse and at the present there is no any hope for the future.

"Of course, we reached agreement on certain issues such as release of the political prisoners and the prisoners of war, as well as the retrieval of the seized property of the political opponents by the Dushanbe government," he said.

Turajonzoda said the international bodies are now working on the implementation of these plans which could take a month and a half to be completed.

He said that out of Tajikistan's population of 5 million, around 900,000 Tajiks have become refugees. A total of 830,000 Tajiks are ino various Central Asian republics, 20,000 in Pakistan, and 70,000 in Afghanistan.

"The tajiks in Afghanistan are now being looked after very well by Iran's Red Crescent Society (IRCS) for which we are really grateful to the Islamic republic," he stressed.

The IRCS has arranged for health care, education, and other affairs of the Tajiks in Afghanistan, he added.

Opposition Chief Praises President, Urges Peace

LD1106122395 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 11 Jun 95

[Address to the people of Tajikistan by Said Abdullo Nuri, leader of the Islamic Movement of Tajikistan; read by announcer]

[FBIS Translated Excerpt] In the name of God! Dear compatriots, honored and great people of Tajikistan: The third year of trouble and bereavement is passing. The Tajik Muslim people are facing many difficulties. [passage omitted: unhappy life of the people of Tajikistan; losses caused by the war]

I consider [Tajik President] Rakhmanov's approach and his meeting with officials representing the refugees to be a good omen. I consider this to be [word indistinct] an historic meeting in his political life and a landmark of self-awareness in the national government. [passage indistinct]

I do not want to see the youth of Tajikistan dead, injured, captured, taken prisoner, and homeless any more. They must study sciences, be artisans, and prepare themselves for the future of the country. [passage omitted: the condition of refugees; opposition's desire for peace and unity]

In talks with government representatives we hear the same thing — We Tajiks must unite for the sake of national salvation, for the future of the Tajiks; we must forgive each other; we must return all people to their homes and create a country that could meet all the republic's needs. [passage omitted: everyone wants peace, but tensions remain]

Dear compatriots, I address all of you, within the country and without. See how many enemies have surrounded our homeland. They do not want the beautiful country called Independent Tajikistan, which we value

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as much as our own lives, to exist. Today the sacred duty of every resident of Tajikistan is to give up the claims of office, regionalism, egotism, revenge, and hostility, and to unite. They must recognize each other's rights, forgive each other's sins, and all fear God. They must also be ashamed of what God's people have done, and primarily solve the problem of their country by themselves.

I had a meeting with [Tajik President] Emomali Rakhmanov, and learned that he wants to save the nation and the independence of the Tajik state.

We decided that the problem of Tajikistan should be solved without bloodshed, and for the benefit of the entire honored nation and people of Tajikistan. If the two sides can reach accord, judge one another fairly, respect the people of God, and care for the nation, while caring not for office, fame, or wealth, (?God willing) a Tajik's Muslim son will not die in a fratricidal war, money will not be spent in vain any more, and these funds will be spent on helping the families of victims, orphans, and those who suffered losses from the war. The people of the republic will become friends, and will engage side by side in this creative struggle [jihad].

I think there are three basic points on which the two sides must reach accord:

1. a basis for the nation;

2. truthfulness in (?work) and deeds;

3. national self-determination. [passage omitted: God asked to save the people of Tajikistan]

Turkmenistan

Moldova To Render Services for Turkmen Gas Transit

LD0906195395 Moscow ITAR-TASS in English 1847 GMT 9 Jun 95

[By Oleg Lukin]

[FBIS Transcribed Text] ASHGABAT, June 9 (ITAR-TASS) — Moldova is ready to render services to Turkmenistan for gas transit to Romania, Bulgaria and Turkey via Moldova.

The governmental delegations of the two countries reached such an agreement during the talks in Ashgabat on Friday.

The two sides thrashed out an agreement of free trade signed in December 1993. After the ratification by the two parliaments the agreement came into effect. The agreement envisages developing trade and economic relations on the basis of mutual benefit.

Mitsubishi Chairman Offers Plan for Trans-Asian Pipeline

LD0906131895 Ashgabat TURKMEN PRESS in Russian 0847 GMT 9 Jun 95

[FBIS Translated Text] The Japanese Mitsubishi corporation has prepared a preliminary technical economic basis for the construction of a Turkmenistan-East China-Japan gas pipeline. Shinroku Morohashi [name as transliterated], chairman of the board of directors of this large company, has handed the proposals to the Government of Turkmenistan. The main directions for the implementation of the trans-Asian gas pipeline project were discussed during his meeting with Hakim Ishanov, deputy chairman of the cabinet of ministers, .

The implementation of this major project will be finished in the 21st century. According to preliminary data the length of the pipeline will be more than 7,000 km. It will be laid from Turkmenistan to the eastern coastline of China, through the territory of Uzbekistan and Kazakhstan, which also support the project. Gas will be delivered to Japan in liquefied form or through an underwater pipeline.

Mitsubishi started preparing the technical economic basis in 1992, when the basic accord on joint research work with specialists from the Ministry of Oil and Gas of Turkmenistan and the Chinese National Oil Corporation was reached.

Mr. Ishanov told a Turkmen press correspondent that, during the talks, this large Japanese corporation once more confirmed its intention to participate in the implementation of the project. Discussions on this matter will also be held with the representatives of the State Oil Company of China [as received] and the American company Exxon.

Japanese businessmen expressed their readiness to carry out joint work in researching, prospecting for and equipping gas deposits. Mr. Morohashi said that the construction of a gas refinery at the Samantepe [as received] deposit was of interest.

Uzbekistan

Uzbek-Chinese Trade Talks Held in Tashkent

LD0906193095 Tashkent Uzbekistan Television in Russian 1430 GMT 9 Jun 95

[FBIS Translated Excerpt] The Chinese delegation is continuing to become familiarized with the life of our republic in the fields of trade and economic cooperation. The first meeting of the Uzbek-Chinese Interstate Commission on Trade and Economic Cooperation took place today at the Uzbektourism national company. Members

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of the Chinese delegation, headed by Lu San Dun, the Chinese deputy minister of foreign trade and economic cooperation [name and title as heard], and representatives of a number of ministries and departments of our republic took part. [passage omitted]

[Begin unidentified correspondent recording] In the second half of the day the delegation of the People's Republic of China was received at the Cabinet of Ministers. Deputy Prime Minister Rustam Yunosov noted that our republic is interested in increasing exports to China. The reforms that are being carried out in the country make it possible to increase the output of competitive products, while the existing legislative base protects the interests of foreign partners.

The head of the Chinese delegation, Lu San Dun, Chinese deputy minister of foreign trade and economic cooperation, also underlined their interest in buying in Uzbek cotton chemical fertilizers, nonferrous metals, aviation products and spare parts, and other industrial goods. The two sides agreed that experts should draw up a list of goods for mutually advantageous cooperation, and that information exchanges should be arranged. [passage omitted] [end recording]

The signing ceremony of the protocol on the results of the first meeting of the Uzbek-Chinese Interstate Commission on Trade and Economic Cooperation, and a regulatory document on the work of this commission also took place today. This meeting was held to reinforce friendship and business contacts between the two countries.

National Property Committee Reports on Privatization

LD1006163795 Moscow INTERFAX in English 1337 GMT 10 Jun 95

[FBIS Transcribed Text] TASHKENT, June 10 (INTERFAX) — The results of implementing the government's privatization program in the past five months have been summed up in Uzbekistan. As the National Property Committee told Interfax on Saturday, in the period in question 513 of the 1796 facilities included in the program were privatized.

As a result of the "small-scale privatization" (which included the denationalization of shops, catering centers and service facilities) the form of property was altered at 46,900 facilities (69.4%). In the Gross National Product their share made up 23.6 billion sums (about $850 million), or 47.8%.

In accordance with the government's privatization program the share of the private sector in the Gross National Product is to rise to 60% by the end of this year.

National Revival Democratic Party Leadership Organs Listed

LD1006123295 Tashkent MILLIY TIKLANISH in Uzbek 10 Jun 95 p 1

[FBIS Translated Text] The National Revival Democratic Party's presidium, elected by its congress, consists of the following: m \Aziz Qayumov - chairman

m \Ibrohim Ghafurov - deputy chairman, editor-in-chief of the newspaper MILLIY TIKLANISH.
m \Toshpolat Toshlonov - deputy chairman.

The Central Committee of the National Revival Democratic Party of Uzbekistan is made up as follows:
m \Ismatulla Abdullayev - head of the Oriental Languages Department of Namangan State University.

m \Abduvali Abduvahobov - vice-president of the Academy of Sciences of Uzbekistan.
m \Ibrohim Hojiyevich Abdughaniyev - chairman of the Uzbek trade unions of employees of education and science.
m \Mannon Aliyevich Ghafurov - pro-rector of the Tashkent Finance and Economics Institute.
m \Bori Ahmedov - senior researcher at the Institute of Oriental Studies of the Academy of Sciences of Uzbekistan; correspondent- member of the Academy of Sciences of Uzbekistan.
m \Muhammadjon Ahmedov - chairman of the citizens assembly of the Hamza ward of Hamza village of Uchqurghon district of Namangan Region.
m \Yuriy Fedorovich Buryakov - department head at the Institute of Archaeology of the Academy of Sciences of Uzbekistan.
m \Ninel Vasilyevna Vladimirova - senior scientific worker at the Institute of Literature of the Academy of Sciences of Uzbekistan, Honored Scientist of Uzbekistan.
m \Erkin Vohidov - National Poet of Uzbekistan, chairman of the Committee for International Affairs and Interparliamentary Relations of the Supreme Assembly of the Republic of Uzbekistan.
m \Khurshid Davronov - first deputy head of the public center for Spirituality and Enlightenment.
m \Zarifboy Dosimov - a department head of the Urgench State University, professor.
m \Khurshid Dostmuhammedov - editor-in-chief of the magazine YOSH KUCH.
m \Sayfi Jalil Jalilov - department head at the Tashkent State Conservatoire, professor, National Actor of Uzbekistan.
m \Iskandar Botirov - director of the Makhtumquli school of Urgench district of Khorezm Region.

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m \Zebuniso Zaripova - teacher at School No.1 in Sariosiyo district of Surkhandarya Region.
m amid Ziyoyev - department head at the Institute of History of Academy of Sciences of Uzbekistan, professor.
m \Abdukarim Mahmudovich Islomkhojayev - chairman of the Chernobyl Association.
m \Akrom Kattabekov - pro-rector of Gulistan State University.
m \Bahodirjon Madumarov - senior doctor of the public health department in Janubiy Olamshuk, in Jalolquduk district of Andizhan Region.
m \Nizomiddin Mahmudov - dean at the Nizami Tashkent Pedagogical Institute.
m \Orkhon Sirojiddinovich Mahmudov - director of the Republican Scientific-Research Institute of Paediatrics, presidium member of the international charity fund Soghlom Avlod Uchun [For a Healthy Generation].
m \Tilab Mahmudov - editor-in-chief of the magazine GULISTON.
m \Ismoil Mirzamahmudov - head of the Fergana regional department of the public center for Spirituality and Enlightenment.
m \Omon Abdullayevich Meliyev - dean of the Samarkand State Architectural-Building Institute.
m \Vladimir Victorovich Kalkin - from the firm KNK (Ltd)
m \Tolan Nizomov - director of the Boz Pedagogical College of Andizhan Region, a poet.
m \Orol Nosirov - head of the Dzhizak regional department of the republican centre Spirituality and Enlightenment.
m \Lev Nikolayevich Pak - deputy editor-in-chief of the newspaper NARODNOYE SLOVO.
m \ Abdughafur Rasulov - senior lecture of the faculty of languages and literature of the Tashkent State University. Otabek Sabarboyev - student of the Tashkent Economics University.
m \ Said Ahmad - National Writer of Uzbekistan.
m \Ismoil Saifnazarov - director of the economics lycee under the Tashkent Economics University, doctor of philosophic sciences.
m \Temur Sa'dullayev - artist.
m asan Rahimovich Toshpolatov - chairman of the Turkiston ward assembly of the Tashkent city.
m \Davron Telegenov - chairman of the citizens' assembly of Chordara village of Konimekh district of Navoi region.
m \Toshpolat Toshlonov - head of the science department of the Ministry of Education of the Republic of Uzbekistan, doctor of philosophic sciences, professor.
m \Sherali Tursunpolatovich Fattayev - the firm NIKRI.
m \Nosir Fozilov - Honored Arts Activist of Uzbekistan.
m \Samad Rahmatovich Shoyqulov - head of the computer department of Karshi State University.
m \Shohida Shohimardonova - composer.
m \Azizkhon Qayumov - director of the Institute of Manuscripts of the Academy of Sciences of Uzbekistan, correspondent-member of the Academy of Sciences of Uzbekistan.
m \Omonulla Qodirov - pro-rector of the Tashkent Technical University, doctor of technical sciences.
m \Tojioji Qorayev - dean of the faculty of Uzbek and Tajik languages and literature of the Bukhara State University.
m \Abdurahim Tojiboyevich Qurbonboyev - foreman of the Uzbek group of enterprises for super-strong and high-melting metals in Chirchik.
m \Ibrohim Ghafurov - deputy editor-in-chief of the newspaper UZBEKISTON ADABIYOTI VA SAN'ATI', Uzbek State Prize winner.
m \Otkir Hoshimov - National Writer of Uzbekistan, chairman of the Committee for Press and Information of the Supreme Assembly of the Republic of Uzbekistan.

Names of People's Unity Central Committee

LD1106105295 Tashkent BIRLIK/YEDINSTVO in Uzbek 10 Jun 95 p7

["Composition of the Central Council of the People's Unity Movement"]

[FBIS Translated Text] 1. E.A.Agzamov, deputy head of the Sprituality and Enlightenment [Manaviyat va Marifat] public organization and deputy of the Supreme Assembly.

2. A.A.Alimbayev, general director of the Uzelektroapparat power equipment amalgamation and deputy of the Supreme Assembly.

3. A.A.Akhmedov, head of the ideology department of Namangan Region's Council of the People's Democratic Party of Uzbekistan, chairman of the Namangan regional branch of People's Unity.

4. T.N.Dalimov, pro-rector of Tashkent State University, corresponding member of the Academy of Sciences of the Republic of Uzbekistan.

5. D.L. Degtyar, chairman of the Jewish cultural center.

6. Sh.I.Dzhalilov, deputy governor of Tashkent.

7. Sh.I.Zinin, chairman of the Russian cultural center, candidate of philology, and deputy of the Supreme Assembly.

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8. N.I.Ibragimov, rector of Tashkent State Institute for Oriental Studies and deputy of the Supreme Assembly.

9. N.Ibragimova, deputy chairman of NAMS [expansion unknown].

10. D.N.Kabulova, deputy chairman of the Women's Committee of the Republic of Uzbekistan.

11. P.G.Kim, chairman of the Association of Korean Cultural Centers, doctor of history.

12. A.Karimov, chairman of the Kyrgyz Cultural Center.

13. N.Latypov, general director of the Unitech International joint venture..

14. K.Mambetov, chairman of the Committee of the Supreme Council of the Republic of Karakalpakistan, doctor of philology.

15. I.Mamedov, chairman of the Azerbaijani Cultural Center.

16. T.M.Mirkamilov, rector of Tashkent State Technical University, chairman of the Tashkent municipal department.

17. Sh.A. Miralimov, head of Tashkent Region's press department, chairman of Tashkent regional department.

18. T.S.Nabiyev, chairman of the Tajik Cultural Center.

19. Sh.Niyazov, editor-in chief of the OVOZI TOJIK [Tajik Voice] newspaper.

20. Yu.N.Nishanov, faculty head at Fergana Medical University, chairman of Fergana regional department.

21. K.R.Rasulov, director of the International Cultural Center of Uzbekistan, candidate of history.

22. U.Kh.Rasulov, director of the Institute of electronics, corresponding member of the Academy of Sciences of the Republic of Uzbekistan, deputy of the Supreme Assembly.

23. K.M.Rafikov, deputy chairman of the Board of the Trade Union Federation of the Republic of Uzbekistan.

24. V.N.Sigedin, director of the Almalyk integrated mining and metallurgical works, ddeputy of the Supreme Assembly.

25. G.M.Sarkisov, chairman of the Armenian Cultural Center.

26. A.S.Sadullayev, rector of Urgench University, chairman of Khorezm regional department, deputy of Supreme Assembly.

27. A.Teshabayev, first secretary of the Central Committee of Youth League of the Republic of Uzbekistan.

28. N.T.Turayev, rector of Termez University, corresponding member of Academy of Sciences of the Republic of Uzbekistan.

29. B.H.Tukhliyev, pro-rector of the Samarkand Cooperative Institute, chairman of Samarkand regional department.

30. A.Tukhtabayev, pro-rector of the Andijan Institute for Economics and Management, chairman of Andijan regional department.

31. Ya.S.Umanskiy, senior researcher at the Institute for Strategic and Inter-regional Studies at the Presidency of the Republic of Uzbekistan, doctor of pedagogical sciences.

32. N.Uralov, chairman of Dzhizak Committee of the Trade Union of Research Workers and Educationalists, chairman of Dzhizak department.

33. M.Z.Uzbekov, lecturer at Tashkent Financial Institute, doctor history.

34. M.F.Fayziyev, deputy director of Institute for Philosophy and Law, doctor of law.

35. B.M.Khasanov, deputy editor-in-chief of the PRAVDA VOSTOKA newspaper.

36. T.Kh.Kholboyev, chairman of the republic's Kazakh cultural Center.

37. K.Kh.Khonazarov, faculty head at the University of World Economics and Diplomacy, doctor of philosophy.

38. M.Khudaykulov, faculty head at the Karshi Agrarian and Economics Institute, chairman of Kashkadarya regional department.

39. A.K.Khalikova, chairman of the Tatar Cultural Center.

40. Sh.I.Shaislamov, deputy foreign minister of the Republic of Uzbekistan.

41. E.M.Ernazarov, editor-in-chief of the TOSHKENT OQSHOMI and VECHERNIY TASHKENT newspapers.

42. Kh.Eshankulov, editor-in-chief of Navoiy Region's DUSTLIK BAYROGI newspaper, chairman of Navoiy regional department.

43. Yu.Yuldahsev, heard of the Syrdarya Integrated Agricultural Works, chairman of Syrdarya regional department.

44. D.Kamilov, general director of the republic's Fund for the Promotion of Small and Medium-size Businesses.

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45. V.A.Andriyanov, specialist at the Uzbek Specialized Furniture plant in Sergeli district, Tashkent.

46. O.Kh.Vafoyev, philosophy faculty head at the Bukhara Institute for Food and Light Industry Technology, chairman of the Bukhara regional department.

47. N.Khodjayev, head of the Sohibqor farm.

48. S.P.Mansurov-Kovrigenko, chairman of the Ukrainian Cultural Center.

49. A.G.Rahimov, chief cinema editor at the Palace of People's Friendship, People's Actor of Uzbekistan.

More Funds, Posts Assigned to Orthodox Church

LD1006110195 Tashkent NARODNOYE SLOVO in Russian 10 Jun 95 p1

["Order by the Cabinet of Ministers of the Republic of Uzbekistan"]

[FBIS Translated Excerpt] In line with the Law of the Republic of Uzbekistan on the freedom of conscience and religious organizations and proceeding from a positive assessment of the role of the Tashkent and Central Asian diocese of the Russian Orthodox Church in strengthening interethnic peace, civic accord and friendship between the peoples of various religions in our country, it is hereby ordered:

1. To back an appeal by Archbishop Vladimir of Tashkent and Central Asia on establishing a spiritual and administrative center at the Svyato-Uspenskiy Cathedral and holding festivities on the occasion of the 125th anniversary of the diocese in November 1996.

2. The head of Tashkent city administration is to take urgent organizational measures to:

allocate an extra plot of land for a project to build the spiritual and administrative center of the diocese by expanding the territory of the Svyato-Uspenskiy Cathedral on Kafanov Street in Tashkent. [passage omitted]

6. [Numbers as received] With the aim of extending daily practical assistance to the activity of the diocese, two additional posts are to be created on the Committee on Religious Affairs at the Cabinet of Ministers.

The Ministry of Finance is to earmark additional funds from the republic's budget for the Committee on Religious Affairs for the above purposes.

7. The Ministry of Foreign Affairs and the Committee on Religious Affairs are to render practical assistance for preparing and conducting an international conference under the motto "Under the Same Sky" in September 1995, as well as for celebrating the 125th anniversary of the diocese of the Russian Orthodox Church in Tashkent in mid-November 1996, and inviting guests from other countries.

8. To recommend the republic's media to give broad coverage to the progress of preparing and conducting the 125th anniversary of the diocese of the Russian Orthodox Church in Tashkent.

9. Supervision of the implementation of the above order is to rest with the department of social issues and culture of the Cabinet of Ministers Chairman of the Cabinet of Ministers Islam Karimov Tashkent, 9 June 1995

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Armenia

Customs Department Denies Drugs Smuggled to U.S.

NC1106043995 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0839 GMT 10 Jun 95

[FBIS Transcribed Text] Yerevan ("HAYASTANI HANRAPETUTYUN" daily), 06/10/95 — We have published SNARK's report in our yesterday issue about an attempt of smuggling 1.3 kg. of drugs to USA.

Press center of the RA [Republic of Armenia] Customs Department rejected this information and said that information provided by the head of customs office of "Zvartnots" airport Azat Tovmasyan has been distorted by SNARK agency.

Bonn Helps To Finance Private Enterprise

LD0906171095 Moscow ECONOMIC NEWS AGENCY in Russian 1330 GMT 9 Jun 95

[FBIS Translated Excerpt] Germany will grant a DM [German mark] 13 million German mark credit to Armenia to finance private enterprise in the republic. The credit is given for 40 years at 0.75 percent annual interest. The repayments will begin 12 years after the credit is granted. Carl-Dieter Spranger, Germany's federal economic minister, announced this recently in Yerevan.

Within the framework of the already signed agreements on financial cooperation and the setting up of a fund for specialist experts and research, Armenia will also receive DM5 million and DM1.8 million respectively.

Armenian Economic Minister Armen Yegiazaryan said to an AEN correspondent that in 1995 German investment in the Armenian economy will total DM22 million. The minister also did not exclude participation of various private investors. [passage omitted]

President Confident Constitution Will Be Adopted

LD0906180395 Moscow INTERFAX in English 1506 GMT 9 Jun 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Levon Ter-Petrosyan is confident that the people will overwhelmingly support the draft constitution that will be submitted to a nationwide referendum on July 5.

Addressing Thursday's conference of the election bloc Respublika led by the ruling Armenian National Movement, the president said that the draft constitution "fully justified itself in practice in the past three and a half years."

According to Ter-Petrosyan, during the period in question Armenia's government structures "used in their practice the stipulations the draft constitution is based on" - that is the laws on the presidency, on the Supreme Council and on the basic provisions of independent statehood. "There is no fundamental differences between those laws and the draft constitution," the president pointed out.

With reference to the parliamentary elections also scheduled for July 5 Ter-Petrosyan said he hopes that "at least 80 percent of members of the future National Assembly are now in this room."

INTERFAX's note: The bloc Respublika (Anrapetutiun) involves six pro-government parties: the Armenian National Movement, the Republican Party of Armenia, the Christian Democratic Union, the Liberal Democratic Party, the Union of Armenian Intellectuals and the Social Democratic Party.

Manucharyan Sees Intelligence Services Plots

MK0906121095 Moscow SEGODNYA in Russian 9 Jun 95 p 7

[Report by Gamlet Matevosyan under the "Exposure" rubric: "Ashot Manucharyan Accuses the Country's Leadership. In His Words, Armenia Has Become Target of Foreign Special Services' Manipulations"]

[FBIS Translated Text] Political activism in Armenia has flared up with renewed vigor on the threshold of the National Assembly elections. A recent meeting in Yerevan heard sensational disclosures from Ashot Manucharyan, former presidential chief national security adviser, who stated that Armenia had become an arena of clashes between major foreign special services and that political processes going on in the country had been inspired by them. In particular, Mr. Manucharyan maintains, the secret "DRO" structure, whose creation the Republic of Armenia's authorities ascribe to the "Armenian Revolutionary Federation 'Dashnaktsyutyun' (ARFD)" party, does exist. The "DRO" had part in some assassinations in Armenia but neither the ARFD not its leadership have anything to do with all that — because the "DRO," in Manucharyan's words, is in actual fact a branch of the "Zet" secret intelligence and sabotage organization controlled by Western special services. "Zet," the former Republic of Armenia president's chief adviser affirmed, is based in Lebanon but is not related to the Lebanese authorities in any way. This organization has infiltrated state structures of the Republic of Armenia and is systematically carrying out, on the republic's

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territory, operations leading to Armenia's complete isolation and the creation in it of an explosive situation. In Ashot Manucharyan's opinion, the republic's leadership, propelled only by the desire to keep power, is not cutting short the activity of hostile forces, thus endangering the country's security.

Mr. Manucharyan also announced that he had personally conducted an independent investigation into the circumstances of the December 1994 assassination of the former Yerevan Mayor Ambartsum Galstyan and passed on several of his own versions to the law and order organs. The investigation group worked for six months on only one version and so far has nothing to show for it. Although, if one is to believe the authorities' claims, they have in their hands the assassin, and witnesses and documents of the secret "DRO."

In the meantime, local newspapers have published the names of 11 persons accused in the "DRO" case who will go before the court. All of them are charged with part in crimes that carry death sentences. The "DRO" case will probably go to trial after 15 June.

Newspaper Analyzes Manucharyan Controversy

954F2499A Yerevan GOLOS ARMENII in Russian 6 Jun 95 p 1

[Article by GOLOS ARMENII Analytical Department: "Who Is Next?"]

[FBIS Translated Text] A whole flood of commentaries, clarifications, assurances, and statements are coming out on the subject of the transcript of a conversation between Ashot Manucharyan and a high-ranking American diplomat, published in HAYASTANI HANRAPETUTYUN and RESPUBLIKA ARMENIYA. On top of this, in our opinion, every new attempt on the part of the authorities to clarify the situation only exacerbates it by contradicting what has already been said. Presumably these efforts are intended to dampen the huge wave of perplexity, irritation, and disapproval that has emerged in the public mind, which cannot explain the publishing of a document that has a bearing on the national security and foreign policy interests of Armenia other than for mercenary gain.

People are especially irked by the fact that the document was published by the authorities' official newspapers: This means that the subject is being spread in society, and that for the sake of discrediting rivals the national leadership is willing to risk the country's and nation's security—our security and our future; so why do we need such petty leaders, incapable of a statesmanlike approach to problem resolution and a statesmanlike level of thinking?

It is this desire to at least neutralize these *public attitudes, already sufficiently argued by the authorities themselves in their own press,* that explains the clarifications proffered by Yelena Kurdiyan, staff member of the press service of the Republic of Armenia presidential staff, published in the LOAGIO newspaper and reprinted by RESPUBLIKA ARMENIYA.

Ye. Kurdiyan says that she is authorized (without being specific as to by whom precisely) to state on the substance of the matter that the president's staff had nothing to do with the publishing of the transcript of A. Manucharyan's conversation with the diplomat, and that any suspicions in this respect are groundless, since the archive of the president's national security adviser was put under control, and the leaking of any documents precluded, only after his staff had been disbanded, and that a "violation of the archives' integrity....is cause for concern" and dictates the need "to identify those responsible."

Please, do not deceive the people, "authorized" Kurdiyan and others! No purveyor of documents, whether a dissident or an enemy of the people, would have dared to bribe the editors of *official newspapers* in order to deal the country a blow by disclosing official secrets! And anyway, Khanbabyan and Morikyan in this case are simply typesetters (which does not relieve them of responsibility for the publication).

Kurdiyan's postulates probably would have had some value had they appeared immediately in response to the publications in RESPUBLIKA ARMENIYA, but.... A day passed, and HAYASTANI HANRAPETUTYUN published the document's translation; the opposition and independent press were flooded by unequivocal comments quite unflattering toward the authorities; angry appraisals of the incident were voiced at rallies; Ashot Manucharyan called the published document *absolutely secret....*

Only after this soaring wave is Yelena Kurdiyan "authorized to state...." RESPUBLIKA ARMENIYA adds to her statement the editorial remark that "we were absolutely certain that we were not disclosing any state secrets...."

However, in a preamble to the publication of the transcript of Manucharyan's conversation with the American, published under the rubric "Documents," a certain Karlen Ivanyan wrote literally the following: "This document from the archives of a no longer existing department was made available to us by a former member of the chief adviser to the president of Armenia's staff." Does this mean that the source is known?

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The preamble ends with Ivanyan's extremely ominous lines: *"Some other documents in our possession also will be published. There is no question as to the authenticity of the documents we are publishing, since all of them contain numerous notations made in Manucharyan's own hand."* In "our possession...."—whose? Perhaps RESPUBLIKA ARMENIYA and HAYASTANI HANRAPETUTYUN are not the only media "you" found for disclosing state secrets (since we are talking about the archive of A. Manucharyan—the president's national security adviser)?

What comes to mind in this connection is Vaan Avakyan's conviction for *"attempting to disclose state secrets."* At the trial the prosecution questioned the argument of Avakyan and witnesses in the case that they considered it their professional duty to destroy and save from incompetent persons and mercenary interests the information accumulated in the presidential national security adviser's office after the decision to disband this office was issued....

Vaan Avakyan was nevertheless convicted under a nonexistent article (it is impossible to convict for "attempting"—there is no such crime in the Criminal Code; a conviction is possible only for an accomplished fact—disclosure of state secrets). Meanwhile, the publication of the transcript of Manucharyan's conversation with a foreigner did not evoke an adequate reaction even from the procuracy. No criminal investigation has been initiated; the people who are directly related to the disclosure of state secrets have not been arrested or questioned: Armen Khanbabyan, acting editor in chief of RESPUBLIKA ARMENIYA (by the way, if we are to believe the newspapers, he is being appointed ambassador to Moldova—apparently to apply in practice the experience he has acquired in handling state secrets); Aydin Morikyan, HAYASTANI HANRAPETUTYUN's editor in chief; and Karlen Ivanyan, who threatens, together with the aforementioned top officials of official newspapers to "delight" society and foreign representations with new evidence of the dangerous "innocence" and monstrous pettiness of the interests of the authorities. Regarding the Americans, "everything is clear" now. Who is next? The Russians and the French? Iran and Egypt? Our next door neighbors, or perhaps China?

The fact of the publishing of a top secret document on the pages of official newspapers of all places, and the authorities' reaction not to this fact but to the commotion caused by such a stunning event ignored by the law enforcement organs, is evidence that our national leadership only calculates in hindsight the steps it undertakes. Moreover, even after discovering that an action constitutes a transgression, or in other words, a blunder, it is incapable, even at the cost of pawns insignificant on the scale of the state, of minimizing the damage done to the country's reputation and diplomatic ties. Which means they are not "statesmen." Which means that they are a group, maintaining power by force for each other.

Party Leader Manukyan on Election Outlook

954F2415A Yerevan RESPUBLIKA ARMENIYA in Russian 23 May 95 p 2

[Interview with Vazgen Manukyan, leader of the National Democratic Union, by correspondent Ashot Mkhitaryan; place and date not given: "The People Will Turn Out for the Elections"]

[FBIS Translated Text] [Mkhitaryan] In what year was your party founded, how many members does it have, and does it have branches in the districts and overseas?

[Manukyan] Initially the party was small and confined its activity to active participation in parliamentary work since it consisted mainly of deputies of the Supreme Council of the Republic of Armenia. Mention should be made of the great deal of work that was performed in parliament by such members of our party as Arshak Sadoyan, David Vardanyan, Tigran Sargsyan, Sharvash Kocharyan, Seyran Avakyan, and others. Subsequently, particularly following the summer meetings, a gradual influx of people began, and today the NDS [National Democratic Union] is becoming a mass, popular party. We already have several hundred members, and their number is increasingly constantly. The party has branches in many regions of Armenia and in all districts of the city of Yerevan.

[Mkhitaryan] Your main ideological and political principles?

[Manukyan] This is the subject of a separate lengthy discussion because what comes out of a brief interview is that same standard collection, which is coincident for practically all parties, and I hope that your newspaper will afford us this opportunity.

[Mkhitaryan] Let us talk about the present. With what do you agree and with what do you disagree in the new Election Act?

[Manukyan] In tiny Armenia, a parliament consisting of 190 persons is senseless. In our country the number of members of parliament should not have exceeded 100.

In addition, the parliament should necessarily have been professional. All this, in my view, would exclude the entry into parliament of various mafia structures. What I mean is that the larger the number of people who elect the deputies, the harder it is to manipulate this mass. As

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far as the correlation of the majority constituencies and the party lists is concerned, 50:50 would be the optimum number at this time.

[Mkhitaryan] Based on all that has been said, what will the elections be like, in your view: police-controlled, as some people believe, or impartial?

[Manukyan] It may be said right from the outset that the elections will not be impartial. It is rather a question here of the percentage of unimpartiality. If this percentage does not exceed 10-15 percent, a satisfactory mark may be given. I find it hard to say what it will be at the time of the coming elections, but one thing I can say for certain is that the pessimists' forecasts will not be borne out: The people will participate actively in the elections.

[Mkhitaryan] Will the ruling party hold on to its majority, in your opinion?

[Manukyan] The ruling party will not hold on to its majority, whatever happens. But the Election Act is such that there is a real danger of a repetition of the trodden path, that is, some percentage of deputies will be from the ruling party, and some, from the opposition, and the rest will constitute a "morass." And this "morass," swinging to this side or the other, will sooner or later arrive at the side that has more levers of power. So the "morass" will gradually slide toward the authorities. In a word, the process that occurred in the present parliament will be repeated in the next one, possibly even more rapidly. Consequently, the opposition's task is not only an increase in the percentage of its own participation in the new parliament but also a limitation of the percentage of the new "morass." This task is feasible, but it will require the active cooperation of the opposition parties in the election process.

[Mkhitaryan] What are you doing to prevent the appearance of this "morass?"

[Manukyan] First, party lists. Just 40 deputies will be elected according to this system. The ruling party may together with its satellites muster no more than 15 percent of the vote (six deputies), and the possibilities of election by party list of a "morass" are severely limited. The elections by party list in fact serve as a guarantee that the directive nucleus of each significant party will be represented in the new parliament. At the same time, on the other hand, elections by party list are a kind of sociological survey of the population in terms of the parties' popularity rating, and I believe that the opposition, the parties that are a part of the "dashink" included, made the correct decision that each individual party with a chance of clearing the 5 percent barrier would take part in the elections on a separate list. As far as the cooperation of the opposition in the majority constituencies, whereby there is a real danger of the formation of a large "morass" in the new parliament, is concerned, there are several acceptable forms of cooperation here which I will not touch on now, but it should be mentioned that this cooperation should not be confined to a "dashink" framework but should unite in common work also the Communist Party, the Ramkavar Party, and certain other opposition parties. As a well-known politician said: Our cause is right, we will prevail.

Sarkisyan Press Conference Claims Scored

954F2478A Yerevan RESPUBLIKA ARMENIYA in Russian 31 May 95 p 1

[Article by A. Mkhitaryan: "If Not Us, Then Somebody....— Elderberries in the Garden, and Atalyants—in Paris"]

[FBIS Translated Text] Yesterday Aram Sarkisyan, leader of the Democratic Party of Armenia, held a press conference at which he presented his election program. The program consists of sections: "Where Is Our Country Headed?" "The Concept of Creation of the State." "What Is the National Assembly?" "A Socioeconomic Formation Founded on Social Justice," etc. It must be noted that the Democratic Party does not stand out by virtue of originality. Two "pillars" of its ideology—a campaign to resolve social problems and civil peace—are hackneyed topics. The party's present ideology is quite similar to that of the Communist Party in its basic tenets, which fact is not surprising. As Aram Sarkisyan admitted, the Democratic Party does not really deserve that name, since in fact it is the bearer of social-democratic ideas.

Aram Sarkisyan has not shied away from the customary abuse directed at the current authority. With regard to entirely justified statements of high-ranking government officials on the stability of the dram, Sarkisyan recalled a certain Mr. Atalyants, former financial consultant to the president, who had promised to set up a grand banking structure in Armenia. But in fact, again according to Sarkisyan, he was recently arrested in Paris for some kind of intrigue. Alas, it is not exactly clear what all this has to do with the present stability of the dram. Even if Atalyants was arrested in Paris, this was not likely the reason.

Returning to the elections, the Democratic Party leader stated that he would not be surprised to see a victory of "left-oriented" forces in Armenia. For that is the way matters have proceeded, in his view, in practically all the countries of Eastern Europe and would soon be the case in Western Europe. (Aha! Now it is clear. Atalyants'

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arrest is preparatory to the renaissance of Marxism in the West!)

As far as the Democratic Party's chances in the coming elections are concerned, Aram Sarkisyan first stated that he was confident of crossing the 5 percent barrier. But then, under pressure from journalists, he admitted that the opposite was also possible, and attempted to smooth over his misgivings with an enumeration of the attributes of Democratic Party candidates for deputy. In the end, Aram Sarkisyan said the important thing was for the opposition to win—who specifically wins is not all that important, it seems. "If not us—then somebody," he stated.

'Shamiram' Group Motives Questioned

954F2488A Yerevan GOLOS ARMENII in Russian 3 Jun 95 p 1

[Article by N.M.: "Shamiram Takes To the Field and Makes a Move with Its Horse. A Trojan Horse"]

[FBIS Translated Text] One more sociopolitical organization— Shamiram—has been added to the numerous women's organizations. In contrast to many of the others, it was formed in an amazingly short period, it was registered without a hitch, and then it was accidentally revealed that all this was occurring just before the elections. But since this was the case, why not take part in them (let us say, according to the example of Women of Russia) by trying to win the votes not just of the beautiful segment of the people? So the sweet Amazons rushed into battle.

This, as they say, is the official version eagerly shared by Shamiram leaders. But according to the unofficial and rather widespread version, this is merely a female offshoot of the AOD [Armenian Pannational Movement], and such a narrow circle of nomenklatura women and cousins has been called to a specific front to safeguard the rear of the ruling party and, strictly speaking, to perpetuate the current regime. Although the female elite (for the time being only the names of the wives of the minister of foreign affairs and the president's press secretary have been given) is diluted with directors of schools and singers, it is no secret to anyone that more important persons and very serious aims are behind all this. While it was still possible to doubt this until recently, and to attribute such insights to excessive suspicion, the publication of Shamiram's very first "initiative" left no room for alternative versions.

But this is what the "initiative" contains. Making no attempt to conceal the fact that Shamiram considers its main purpose to be the adoption of a particularly ambiguous, to put it mildly, draft of the Constitution, the women of this organization appealed in an open letter to the president, who is known, as they wrote, for his humanitarian acts, requesting the adoption of the Constitution "to commemorate the amnesty of prisoners."

Well done, women, well done, beauties!

With its apparent innocence, the initiative, it must be acknowledged, possesses truly explosive force. It is hardly likely that any of the mothers, sisters, wives, and children of the prisoners (the list is derived from the text of the statement) is now capable of listening to the voice of reason and adopting a sober decision in a referendum. What is more, they will sweep away everyone who now tries to say even a word about the fact that the Constitution a la Levon Ter-Petrosyan, which they praise so highly, will bring them and all of us only the kind of slavery in comparison with which the early release of convicts will seem akin only to another deception and nothing more. But just try to explain this to people who have already lost their senses over unexpected good fortune. Especially since a semi-official organ claims: The Shamiram announcement is not the fruit of female caprice, but an action that has already been approved by the state structures. In Sunday's ZHAMANAKACHAPE, Iskandaryan, the herald of the authorities, was already trying to convince the people that the amnesty should not be expected right on 5 July, and said that the president will need at least a month or two to implement this humanitarian act. In the event, of course, that the draft Constitution is adopted.

So this is the women's move with the horse, which is being made by a vigorous male hand and the very subtle, keen, and selfish mind of a typical eastern despot. After all, the desks and the ink with which the lines of the "open letter" were written are visible through the Shamiram crepe.... Why, for example, is nothing defined more accurately concerning what kinds of categories are in question? After all, it is difficult to imagine that even with unanimous approval of the Constitution, the entire republic's contingent of murderers, bandits, marauders, and rapists will go free? This is not women's work—to doom society to a wave of violence, and this obvious truth is well understood, I think, even in an organization such as Shamiram. But the whole point is that the organization after all is not an ordinary one, and it has a big secret. It is counting on simpletons and absolute success. Five years ago the husbands made fools of the people in this way, and now the wives have gotten down to business. But, after all, their children also are growing up....

P.S. Inasmuch as to all appearances it will be necessary to return to the subject of this organization, I did not touch on many important questions associ-

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ated at least with the name of the organization. There is no need to talk about the slip. As can be seen from an interview with Gayane Sarukhanyan, leader of Shamiram, published in the VREMYA newspaper, they very distinctly understand not only their role in sociopolitical life, but they are also attempting to set forth social historical facts in their own way, and a discussion of this subject simply cannot be avoided. Especially since the women's Shamiram organization has not yet really said its masculine word....

Azerbaijan

Aliyev, AIOC President Confer on Oil Development

LD0906162295 Moscow INTERFAX in English 1359 GMT 9 Jun 95

[FBIS Transcribed Text] BAKU, June 9 (PIA-INTERFAX) — In Azerbaijan Thursday [8 June] President Geydar Aliyev conferred with members of the executive committee of the Azerbaijani International Operations Company which is in charge of the projects for developing Azerbaijani maritime oil fields with the participation of a consortium of Western companies.

The committee controls AIOC's working program and budget. It includes a representative from each of the 11 foreign oil companies and 11 representatives from Azerbaijan's state-owned oil company and government.

During the conference Aliyev said he is satisfied with the committee's decision to use Azerbaijan's drilling platform Chirag-1 in works in offshore fields.

The Azeri leader met with the committee members following the AIOC session which had discussed the results of work in the past six months and approved an amended program and budget for this year of $110 million.

Aliyev insisted on stepping up works under the contract. On his recommendation, the committee endorsed an additional sum worth $46 million to conduct preparatory works aimed at extracting early oil. "All this means that the last doubts have been dispelled, and that the possibility of extracting early oil in 1996 has become real," the Azeri president said.

AIOC President Terry Adams told Aliyev that the issue of choosing a route for the transportation of early oil from Azerbaijan will have to be resolved within three months; he said he is confident that a solution to that issue will be found "on the basis of commercial benefit". He noted that the governments of Russia and Georgia had already displayed their wish to cooperate with AIOC in that matter.

In the meantime speakers at Thursday's news conference attended by Adams and the leader of the state-owned oil company Natik Aliyev mentioned, among the feasible options, such as the Russian and Georgian ones, the possibility of "exchanging crude with Iran". Nevertheless it was noted that so far Iran has not entered into talks on this issue "because of well-known circumstances."

Earlier Azerbaijan denied Iran the opportunity to join the international consortium for the development of the offshore oil fields Azeri, Chirag and Guneshli, in which American companies are in the majority.

According to experts, the idea of "exchanging crude with Iran" signifies deliveries of Azeri crude to Northern Iran and exports of similar quantities of Iranian oil through sea terminals in the Persian Gulf.

Adams on Clinton's Ban on Iran Deals

NC1106111795 Baku TURAN in English 2157 GMT 10 Jun 95

[FBIS Transcribed Text] Baku (JUNE 9) TURAN—"Executive order of the U.S. President Bill Clinton does not ban the American companies to implement exchange operations with Iran on the early oil, it bans construction of main pipeline through the territory of Iran," stated Terry Adams, the President of AIOC [Azerbaijan International Operations Company] during yesterday's [8 June] press-conference.

According to him, the options of the export of early oil which are under discussion now are to last 5-6 years till putting into operation the main strategic pipeline. The matter on the strategical pipeline will be resolved in 30 months. "The attitude to Iran can change during that period," Terry Adams noted. Thus, one can make a conclusion that the territory of Iran still has chances for transit the "great oil" from Baku to the world markets.

AIOC President on Caspian Sea Issue

NC1106113495 Baku TURAN in English 2157 GMT 10 Jun 95

[FBIS Transcribed Text] Baku (JUNE 9) TURAN—The president of AIOC [Azerbaijan International Operations Company] Terry Adams said that the talks about the status of the Caspian Sea in the press are groundless. The words of U.S. Secretary of Energy Hazel O'Leary told at the exhibition "Caspian Gas and Oil-95" on possible complication of the contract due to fact that the status of the Caspian Sea has not been solved yet did not "affected the rate of our work" Terry Adams said at the press-conference held in Baku on June 8.

According to Adams nothing has changed since September 20, 1994 when the contract was signed as the question on the status of the Caspian Sea existed then too.

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"The contract acquired the force of law of Azerbaijan and that is why it gives us some rights in the Azeri sector of the Caspian Sea," President of AIOC noted. He also drew the attention to the fact that two months later the Russian oil company LUKoil joined the consortium on the terms of the protocol which recognised the existence of the Azeri sector of the Caspian Sea. According to Adams, the enthusiasm of Iran last year when Iran wished to join the contract also witnesses the right of the consortium to extract oil on the contract area. "Besides, there are enough world judicial precedents supporting our position. The matter on the status of the Caspian Sea is not an obstacle for us," Adams said.

Minsk Conference Statement on Karabakh Welcomed

LD0906180895 Moscow ITAR-TASS in English 1641 GMT 9 Jun 95

[By Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] BAKU, June 9 (ITAR-TASS) — Azerbaijan has welcomed a statement issued by the Chairman of the Organisation for Security and Cooperation in Europe [OSCE] and the Co-chairman of the Minsk Conference on Nagorno-Karabakh. The document, circulated by the Azerbaijani Foreign Ministry here today urges Armenia to continue talks on finding a solution to the conflict.

The document notes that Azerbaijan welcomes the statement issued by the Georgian Foreign ministry, which underscores that it will be too early to draw any conclusions until the investigation of the explosion on the pipe-line, which pumps gas across the Georgian territory into Armenia, is completed. Armenia had accused Azerbaijan of carrying out this act and had put off its participation in the negotiation process.

Azerbaijan noted Armenia's latest decision regarding its participation in the talks on finding a peaceful solution to the conflict in Karabakh which are scheduled to begin in Helsinki on June 15, and is ready to sit down at the negotiating table on that date, the document noted.

Foreign Ministry Welcomes OSCE Appeal to Armenia

NC1006195295 Baku TURAN in English 1029 GMT 10 Jun 95

[FBIS Transcribed Text] Baku (June 8) TURAN — Azerbaijan welcomes the statement of the OSCE Chairman and the OSCE Minsk Conference co-chairmen from May 25, which appeals to Armenia to continue its participation in the Minsk Group, reads the statement of Azerbaijan's Foreign Ministry.

The OSCE Chairman called on the Armenian Government not to put forward preliminary conditions and to refrain from the steps, which can break the cease-fire regime. Azerbaijan's Foreign Ministry backed up the condemnation of all types of terrorism and diversions by the statement.

Azerbaijan's Foreign Ministry also supported the statement of Georgian Foreign Ministry from May 25, which expresses the opinion that until completion of the investigation one cannot draw the conclusion about somebody else's involvement in the incidents on the territory of Georgia.

Foreign Companies Sign Caspian Oil Agreement

LD0906181595 Moscow INTERFAX in English 1626 GMT 9 Jun 95

[FBIS Transcribed Text] BAKU, June 9 (PIA-INTERFAX) — The State Oil Company of the Azerbaijani Republic (SOCAR), Russia's LUKoil concern, Italy's Ajip and the U.S. Pennzoil have signed an agreement on joint development of the Karabakh offshore field on the part of the Caspian Sea's shelf belonging to Azerbaijan, sources in SOCAR's administration told INTERFAX Petroleum Information Agency today.

The same sources said LUKoil has a 32 percent stake in the consortium which was formed for implementing this project, Ajip - a 30 percent stake, Pennzoil - a 30 percent stake and SOCAR - a 7.5 percent stake.

SOCAR experts put the extractable resources of the Karabakh field at 85-120 million tonnes of oil. They said the high-production wells, with an output of up to 1,000 tonnes a day, means that the field can be efficiently developed for up to 10 years.

A broker in Russia's Bransvik stock company told INTERFAX Petroleum Information Agency that the signing of the agreement itself is likely to have an impact on the quotation of shares in the Western companies and LUKoil because "they rarely manage to get such 'tasty' fields."

However, officials in Russian departments have so far declined to comment on Baku's latest independent move. Azerbaijan is in fact offering oil fields on the disputed Caspian shelf for development.

Russia's LUKoil already has a 10 percent stake in the consortium of foreign oil companies developing the fields of the Azerbaijani sector of the Caspian shelf (the Azeri, Chirag and Gyuneshli fields). The Azerbaijani Cabinet qualifies the Shakh-Deniz, Karabakh and Kyapaz fields as "particular zones offered" to foreign companies.

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SOCAR experts said the total extractable resources of the Kyapaz and Karabakh fields are 190 million tonnes of oil and the resources of the Shakh-Deniz gas-condensate field exceed 600 million tonnes of hydrocarbons.

Chevron Oil, SOCAR Coordinate Prospecting

NC1006192795 Baku TURAN in English
1140 GMT 8 Jun 95

[FBIS Transcribed Text] Baku (June 8) TURAN — Chevron Overseas Petroleum Inc. forwarded a proposal to SOCAR [State Oil Company of the Azerbaijan Republic] to conduct research boring works on two blocs in the southern part of the Azeri section of the Caspian, the credible source from SOCAR told TURAN.

The first bloc "Arazdashy" with the depth of the water surfer from 60 to 350 metres, is located in the mouth of Kura River, the second deepwater bloc "Mamedaliyev" with the depth of the water surfer from 800 to 900 metres is located to the south-west of Neftchaly.

The same source reports that SOCAR positively answered on the proposal of the American company and agreed to start negotiations concerning the conditions of the research works on these two blocs. President of Chevron Overseas is expected to arrive in Baku this month to negotiate with SOCAR to this effect.

The development and research of these blocs have become the item in the agenda of the Chevron company after completion of the first stage of the geophysical research in the southern part of the Azeri section of the Caspian conducted together with "Azergeophysics" Trust (SOCAR's structure) on the basis of the agreement concluded in November 1993. The geophysical data on the conditions and quantity of the hydrocarbon deposits in the southern part of the Azeri section of the Caspian were interpreted by the American company on basis of the primary seismic procession conducted earlier by SOCAR's geophysicians.

With the purpose to settle the problems concerning the research and possible development of the deep-water (more than 800 meters deep) perspective oil-gas-bearing bloc "Mamedaliyev" the company will possibly transport its boring installation to the Caspian.

Chevron also plans to conduct the second and third stages of research of the Azeri section of the Caspian in its central and northern parts.

APNI To Run Independently in Elections

NC1006183595 Baku TURAN in English
1239 GMT 10 Jun 95

[FBIS Transcribed Text] Baku (June 10) TURAN — "Azerbaijan Party of National Independence [APNI] will participate in the parliamentary elections without joining any block and will win with a score 50 percent plus 1. I believe in that," Chairman of APNI told TURAN.

According to Etibar Mamedov APNI supports proportional system of elections. It was stipulated in the Bill prepared by the party and published in the mass media. According to leader of APNI the present situation in Azerbaijan requires the apply of just proportional system. The civilians of the territories occupied by Armenians are dispersed all over the regions of the republic, so they have not opportunity to elect their deputies according to majority system.

Mamedov also said that the Bill prepared by his party on the proportional elections can be used only during one election period. Besides, the proportional system is favourable from the financial point of view and will promote the development of multipartied system. As the member of the Constitutional Commission Etibar Mamedov said that at the first session of that commission an information on the options of bills prepared by the authorities was given. He also noted, that despite the order by the President, the bills have not been distributed among the members of the commission yet. "Pre-election situation in the republic does not suit our party as the television and radio are closed for parties, the censorship in the press is still preserved," Etibar Mamedov said.

Regarding the matter if the elections will be democratic Etibar Mamedov said: "If the authorities are given rights there will not be democracy." According to leaders of APNI the parties should be more active and the authorities should invite more foreign observers in order to make the elections comparatively democratic." Mamedov believes that it is not necessary to hold mass meetings on the eve of the elections. He also said that despite the decline of State of emergency no one political organisation appealed for the permission to hold mass meetings.

Responding the question on possible win the elections by the present authorities in case of settling the Armenian-Azeri conflict Etibar Mamedov stated: "Responding the question of the U.S. representative in the OSCE John Pressel what I will do if the leadership of the republic wins the elections by making some steps in case of settling the Armenian-Azeri conflict I said that I

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am ready to lose the elections for the sake of settlement the Karabakh conflict."

Party Leader Reviews Week in Politics

954F2490A Baku ZERKALO in Russian 3 Jun 95 No 21, p 2

[Article by Siradzheddin Gadzhi, acting chairman of the Ana Torpag Party: "The Relations Between Political Forces Are of a Forced Nature"]

[FBIS Translated Text] The events that occurred during the week displayed several characteristic features and leading tendencies of the sociopolitical situation. The measures conducted by the authorities associated with 28 May—Azerbaijan Independence Day—revealed some of their political and ideological values.

Genetic peculiarities forced the authorities to falsify the historical meaning of 28 May and the contemporary history of the national movement. The celebrations demonstrated not a sense of independence, but the essence of a regime associated with communist principles. The voice of 28 May was not heard behind the loud music, and no significant steps for the national memory were taken.

Another reason for the approaching crash is that the regime is relying not on economic reforms and putting new ideas into practice, but on the restoration of values that have lost their significance.

The company associated with the forthcoming elections is accelerating its movement. The relations between the political opposition are increasingly of a forced nature. And this is preventing the opposition from becoming a mature force. The rapprochement of the political opposition is necessary, but impossible. Assumptions concerning falsification of the results of future elections are based on serious grounds.

It is possible that the opposition will apply two tactics during the elections. The first—a definition of interests in the form of blocs, and second—cooperation with various forces. The large number of problems facing Azerbaijan and the developing situation make both tactics possible.

All of this confronts us with new tasks. First, there is a need for the criticism and propaganda of independence and democracy not only as an idea, but also as the only correct path on which the problems of the people can be overcome. Second, it is not independence and democracy that are the reasons for the difficulties, but a regime that cannot cope with them.

Another leading tendency are the attempts of the authorities and parties and newspapers close to it to create a confrontation between democratic forces. To create contradictions between the Musavat Party and the NFA [Azerbaijan People's Front], to set off members of these organizations against each other, and to sow distrust between them—all of this is an effort of well-known forces to prolong life and once more, after identifying their enemies, launch a decisive attack against them.

In Azerbaijan's foreign policy, relations with Iran have assumed a new character. The authorities have chosen a new tactic in relations with this country. First, initiatives for control over the movement in South Azerbaijan have been noted as a means of applying pressure on Iran. This is being used in part to divert people's attention from the problems of North Azerbaijan. Second, attempts are being made to convince the leaders of the national movement in the south that the present authorities are interested in them and can be a support for them.

It is possible to take a favorable view of the attempts in the direction of arranging economic and political ties with Germany. This country can be an ally of Azerbaijan on many questions.

The events that took place in the course of the last meeting of the CIS leaders will have an influence on interstate relations. A basis has been created for a new powerful surge of pressure on Azerbaijan.

Opponents of independence, taking advantage of the authorities' impotence, are broadening their propaganda. However, there is no retaliatory reaction to the activity of the communists.

In the rayons, members of the party of Neymat Panakhov are intensifying agitation against Rasul Galiyev. Although the confrontation inside the leadership is not of a political nature, it is intensifying. The Democratic Independence Party is continuing its double game.

Order Prohibits Papers With 'White Spaces'

NC1106105495 Baku TURAN in English 2208 GMT 10 Jun 95

[FBIS Transcribed Text] Baku (JUNE 9) TURAN—General director of "Azerbaijan" editorial office Nazim Ibragimov issued an order prohibiting from June 15 printing of newspapers with white spaces due to withdrawal of some materials by censorship. Ibragimov is going to appeal with the letter to the Head of the Chief Department for Guard of State secrets Jahargir Ildrimzade not to let printing of newspapers with white spaces [sentence as received]. "It spoi's the appearance of newspaper and become the cause for just indignation of the workers of offset shop", reads the order of Ibragimov.

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The order provides that editorial offices of the newspapers whose articles are withdrawn have to present another material instead of that material. The order also reads that from June 15 all shops of the editorial office are not allowed to work with newspapers with white spaces.

"If the newspapers do not follow these instructions the editorial office will cancel the treaties and those newspapers will not be issued," the order reads.

Georgia

Shevardnadze's Draft Constitution Discussed

LD0906165595 Moscow INTERFAX in English 1349 GMT 9 Jun 95

[FBIS Transcribed Text] TBILISI, June 9 (INTERFAX) — The constitutional commission in Tbilisi has opted for a draft of a new constitution presented by Georgian leader Eduard Shevardnadze under which Georgia will become a federal state with a bicameral parliament and Abkhazia and Adjaria will remain part of Georgia, though with their own constitutions, governments and emblems.

Commission Secretary Avtandil Demetrashvili told this to INTERFAX Friday [9 June]. He went on to say that the status of the Tskhinval region (South Ossetia - IF) is to be determined by the Georgian constitution and an appropriate local government act.

He said that part of the new constitution could be approved if the parliament failed to adopt it as a whole. Nor does he rule out the possibility of the new basic law being put for a nationwide referendum.

The draft was chosen out of a total of 12 on offer.

Shevardnadze Says Russia To Help Rebuild Energy

LD1006162795 Moscow INTERFAX in English 1337 GMT 10 Jun 95

[FBIS Transcribed Text] TBILISI, June 10 (INTERFAX) — Russia will take part in rebuilding Georgia's energy complex. Eduard Shevardnadze said so during his two-day tour of Central Georgia, where he conferred with the leaders of local administrations, labor staffs and public representatives.

As he said, "the signs of stabilization in Georgia are in evidence." Shevardnadze mentioned aid in restoring his country's economy given by Western nations, but stressed that such support is not enough to enable Georgia to overcome its crisis. Therefore the question of closer ties with Russia should be considered in earnest, the Georgian leader said.

Shevardnadze Willing To Meet Abkhaz Leader

LD0906170595 Moscow INTERFAX in English 1624 GMT 9 Jun 95

[FBIS Transcribed Text] TBILISI, June 9 (INTERFAX) — Georgian leader Eduard Shevardnadze has announced he is ready to meet with Abkhaz leader Vladislav Ardzinba, but only on condition that a mass return of Georgian refugees to the Ghali district of Abkhazia begins immediately.

Shevardnadze said at a regional conference of the heads of regional administrations in Kutaisi today that "if this condition is fulfilled the dialogue with Mr. Ardzinba on ways of settling the Abkhaz conflict can be continued."

Shevardnadze said that the process of refugees' return to the Ghali district "could be completed in a few months".

Commenting on the recent statement made by Ardzinba on the possibility of holding a referendum in Abkhazia, to reveal Abkhaz residents' attitude towards joining either Russia or Georgia, Shevardnadze said, not without irony, that "the question could also be asked about Abkhazia joining Australia."

"The U.N., the CIS and the entire world community have fully accepted Georgia's territorial integrity. That is why Mr. Ardzinba should show some respect to the rest of the world," Shevardnadze said.

The Georgian leader said that "Abkhazia's isolation from the rest of the world will increase until its leaders embark on a constructive path towards a real settlement to the Abkhaz conflict."

Top Official Views Russian Role in Abkhazia

AU1006195195 Tbilisi DRONI in Georgian 25 May 95 p 3

[Interview with Tamaz Nadareishvili, chairman of the Abkhazian Supreme Council, Georgian deputy prime minister, by Lali Shalvashvili; place and date not given: "'No One Will Go to Abkhazia Without Me....'"]

[FBIS Translated Text] According to figures supplied by Deputy Prime Minister Tamaz Nadareishvili, chairman of the Abkhazian Supreme Council, during the two years that the Russian peacekeeping forces have been in the conflict zone, 300 people have entered Gali rayon and 100 of these have been killed by Abkhazian separatists.

[Shalvashvili] As you pointed out at a session of Parliament, international organizations are providing maximum aid. At the same time, they have made us feel that we should concern ourselves with [developing] relations with Russia. As far as is known, a common language with Russia has already been "found" —

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Without taking into account our interests, Russia is protecting its own interests in Georgia. Can one expect any new nuances in these relations today?

[Nadareishvili] I can see one prospect: We should look after ourselves and get back Abkhazia if, indeed, this is our wish. The Ministry of Defense has one function in the state — to protect its territorial integrity. If we cannot do this, we should declare that the territory is occupied and it will not be possible to get it back in the near future and we should tell the refugees that they should look after themselves. The Georgian authorities see a settlement of the problem through peaceful political negotiations. We would agree with this step if it could be implemented. Unlike many, I know what war is and also the bitterness of the losses suffered; believe me, a person who has seen this no longer wants war. Naturally, it would be better if someone could take us back to Abkhazia peacefully. However, up to now, we have had only words, talk, and theories, nothing more. The Abkhazian problem will not be resolved without Russia. We have to find ways of moving toward them, even if it means applying the method that the Abkhazians use — bribing them. As can be seen, in this respect, we do not have a concrete plan: At times, we look toward the UN, at times toward Moscow, at times toward Sochi, at times toward [Russian Deputy Foreign Minister] Pastukhov's letter. He who has his hands stained with the blood of Georgians has now said a few good words; should we worship him for this?

[Shalvashvili] Batono [Georgian polite form of address] Tamaz, you have already stated why it is essential to extend the Russian peacekeeping forces' mandate; specifically, that there are up to 700,000 mines in Gali rayon, the Russians control the Inguri hydroelectric power station....

[Nadareishvili] The mandate can be extended only if it is completely changed and it states that the peacekeeping forces will participate in the return of the refugees, will protect their security, will be transferred from the Inguri River to the Ghalidzga River, will penetrate Abkhazia stage by stage, and clear the region of mines.

[Shalvashvili] The Russian peacekeeping forces have repeatedly violated their own rights. For example, they disarmed Georgians in the Dali gorge, but not Abkhazians. If the points that we want are included in the mandate, what guarantee is there that they will not be violated?

[Nadareishvili] If all this is included, the mass return of people will only begin when Georgian jurisdiction is restored in Gali and a local administrative board [gamgeoba] and law enforcement bodies are in place there.

[Shalvashvili] Will this be a mixed Georgian-Abkhazian structure?

[Nadareishvili] No, only Georgian. When the structure has been created, we will start to get people to return. When we ourselves are there, the Russians will no longer deceive us. This precisely guarantees that the mandate will not be violated and, naturally, we will return with weapons in our hands. I will not enter Gali unarmed and I will not let others do so either.

[Shalvashvili] If the points that we want are not included in the mandate, what are the prospects?

[Nadareishvili] We will go to Abkhazia.

[Shalvashvili] Just like Batoni Tengiz Kitovani [cochairman of the National Liberation Front, former defense minister, whose attempted march on Abkhazia on 13 January was foiled in western Georgia]?

[Nadareishvili] Yes, only at a more professional level and in a more refined way.

[Shalvashvili] This, of course, will be coordinated with the government....

[Nadareishvili] We are the government of Abkhazia, an official structure that has been recognized by the UN and Parliament. Therefore, we cannot be treated in the same way as Kitovani was treated. We are not an unofficial armed formation but the Abkhazian Supreme Council that has its own Ministry of Internal Affairs, Security Service, and internal troops.

Incidentally, on account of the step taken by Kitovani, they only just managed to halt the Abkhazians at Gulripshi. Everyone fled from Gali and Ochamchire. This was due to Kitovani's action. To tell you the truth, I was annoyed because I was not informed of his plan and it was not coordinated with me. No one will go to Abkhazia without me. This is not because I am better than others but, simply, if I do not go, the people also will not go. No one will stop us — neither the observers nor the Russian peacekeeping forces. Therefore, let us attend to this problem while there is still time and perhaps it can be settled without bloodshed.

[Shalvashvili] It is well known that certain circles in Russia view Ardzinba's government with a great deal of sympathy and, as one hears, they are advising Ardzinba to hold onto this position until the elections to the Duma are held. Proceeding from this, by extending the mandate, will we not be involuntarily promoting their common plan?

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[Nadareishvili] Yes, Ardzinba has patrons in Zugalov, Lukyanov, all those in opposition to the Russian authorities — Baburin and Zhirinovskiy. As soon as the [Abkhazian] war started, these circles were helping Abkhazia. For example, Zhirinovskiy's bank — "Tiko" — transferred 200 million rubles [R] to the Abkhazians; the Revival [aghordzinebis] Bank (its president is Orlov) gave them R2 billion, and the Agroindustrial Bank gave them credit worth R16 billion.

In order to resolve the Abkhazian problem, we should talk with the Russians and not the Abkhazians as they can do nothing without Russia. The Russians are dictating to Ardzinba what he should do. I do not exclude that the treaty concluded with Kabardino-Balkaria was a preplanned act as they could not have signed it without Russia. We do not have such a lobby in Russia. We do not even have the means to finance the GRUZIYA newspaper that is published in Moscow. The Abkhazians do not behave like this. They will not be mean with their money and will not pocket humanitarian aid. Russia can see everything very well; we have lost faith in their eyes.

[Shalvashvili] However, the deciding factor is Russia's interests and not the question of trust....

[Nadareishvili] Of course. It should suit Russia that its interests are protected throughout the whole of Georgia and not in certain regions. In general, our orientation needs to be clarified: Sometimes, we look to the West, at other times to Russia. We cannot play such a game. The Abkhazians have resolved this issue. They are demanding to be a part of Russia. Naturally, circles in Russia would prefer to have at least a certain part of Georgia than lose all of it. I believe it suits Russia that Georgia is in such a situation. Thanks to the Abkhazians, the Inguri hydroelectric power station is in their hands and, so, they control the whole of Georgia. If, one fine day, we were to take some kind of radical measures against Russia, Georgia would be left without electricity. However, we should also not dismiss the idea that, following the events that have unfolded in Chechnya and Tajikistan, Russia is clearly unable to wage war against Georgia as an independent state. Therefore, during peace negotiations, our partner should feel that we are backed by a force — the Abkhazian government, the Supreme Council, and the refugees. Incidentally, Georgian partisans are currently active in Abkhazia.

[Shalvashvili] Batono Tamaz, won't broadcasting such a fact bring negative results?

[Nadareishvili] I am stating what is true. This is how it should be. The people are opposing the occupiers. We have full information as to what is happening in Abkhazia.

[Shalvashvili] It was said at a session of Parliament that petroleum products are being brought into Abkhazia from Zugdidi....

[Nadareishvili] That's right. I know who is doing this and when, the license plate numbers of the cars, and how much money each person has received. I am deliberately not revealing their identities as I am giving them a chance to redeem their sins.

[Shalvashvili] Recently, information was spread in the press that Security Service Chief Igor Giorgadze was demanding a warrant be issued for your arrest. Specifically, you were accused of trading in weapons....

[Nadareishvili] I have checked this information. I can in no way explain this action taken by Igor Giorgadze. It seems he has been entrusted with getting rid of me. It is true I used to be in charge of the military sphere, but both the head of state and the prime minister have always known about the transfer of such cargoes. Such an accusation is a provocation.

Moscow Agrees To Restructure Georgian Debt

LD1106153495 Tbilisi Radio Tbilisi Network in Georgian 1400 GMT 11 Jun 95

[FBIS Translated Text] The economic reform press center of the Cabinet of Ministers of the Republic of Georgia has reported that, in connection with the restructuring of Georgia's foreign debts, a Georgian government delegation led by Deputy Prime Minister Temur Basilia visited Moscow between 7 and 9 June. Delegation members met the vice premier of the Russian government, Aleksey Bolshakov, Minister of Finance Vladimir Panskov, and other officials.

As is known, debt restructuring is a prerequisite for the granting of a stand-by credit by the IMF. Agreement was reached that the above-mentioned debts would be restructured: They would be deferred by three years. Debt repayment will mostly start from 1998. Meanwhile, only service interest will be repaid before 1998. This includes interest rates set by so-called LIBOR plus 0.5 per cent.

Foreign Ministry Statement on Pipeline Explosion

NC1006194795 Baku TURAN in English 1429 GMT 10 Jun 95

[FBIS Transcribed Text] Baku (June 8) TURAN — On May 25 the Georgian Foreign Ministry distributed the statement due to the incident on the gas pipeline, which lies through the territory of Georgia to Armenia. As was

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earlier reported, after the explosion Armenia accused Azerbaijan of involvement in diversion.

The statement reads that currently Georgia's law enforcement bodies are conducting investigation on this effect. "Until completion of the investigation the information on somebody else's involvement in this incident is untimely and groundless", the statement of the Georgian Foreign Ministry reads.

As the diplomatic sources told TURAN a short time ago the statement of the Georgian Foreign Ministry was distributed in the UN SC [Security Council] as official document.

"The Republic of Azerbaijan welcomes the statement of the Georgian Foreign Ministry and backs up the opinion that until completion of the investigation there are no grounds for bringing accusations against anybody", the Deputy Foreign Minister of Azerbaijan, Tofik Zulfugarov, told TURAN's correspondent commenting on the statement of the Georgian Foreign Ministry.

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Estonia

Ministers on Russians in Estonia, Citizenship

LD1106214295 Tallinn Reklaamitelevisioon in Estonian 1730 GMT 10 Jun 95

[FBIS Translated Excerpt] Last month 2,762 Russians living in Estonia received Russian citizenship. According to Vasiliy Ostapchuk, an adviser to the Russian Embassy in Tallinn, there are 73,762 people with Russian citizenship living in Estonia.

[Begin recording] [Foreign Minister Riivo Sinijarv] [passage omitted] We have a problem that we have inherited from the past, and we need to solve this problem sensibly. This is not such a big threat that extreme efforts are needed to deal with it.

[Interior Minister Edgar Savisaar] You see, the great powers are inclined to defend their citizens. We know such facts not only from the distant past, from the time of gunboats, but also from the recent past. In such a case they have certain legal rights in terms of international law. I think this is certainly dangerous for Estonia.

[Andres Kollist, director general of the Citizenship and Immigration Department] Estonia has made the rules for obtaining documents in such a way that if a person wants to live in Estonia and cannot get Estonian citizenship, he has no choice but to use Russian documents and try to arrange his life somehow according to them. [end recording]

Kollist said the Estonian state does not intend to pressure anyone into taking any particular citizenship. However, he thinks that a situation in which people have no choice but to accept Russian citizenship is not normal. Kollist sees a practical solution to the problem of issuing aliens' passports to people who cannot decide upon their citizenship for some reason or another. According to the existing laws, however, aliens' passports can be issued only to people who submit a certificate stating that their country of origin would not issue them a passport; but Russia is quite happy to give Russians Russian passports. Kollist thinks that the government must resolve this situation.

Premier Vahi Reaffirms Election Pledges

WS1206120695 Tallinn ETA in English 2010 GMT 9 Jun 95

["News Release"]

[FBIS Transcribed Text] In spite of the aspirations of our political opponents to split the ruling coalition, our union is unanimous and will fulfill the promises given before elections, Premier Vahi told the participants in the conference of Estonian Country People's Party on Friday, speaking in the name of the government and Coalition Party. Estonian Country People's Party is a member of the coalition.

Opinion polls show that the amount of supporters of the ruling coalition has increased during the last two months, premier said. "It is good that country people have a strong representation in the parliament and in the government as we should not forget that Estonia does not only consist of Tallinn and other towns but also countryside. While adopting a law we have to think how it could influence the country people," Vahi said.

Premier added that he did not consider it right to isolate internal market. Estonian agricultural production would increase only if it became competitive in foreign markets, Premier said. Estonia is interested in the market of EU and Russia. Several steps had been taken to normalize Estonian-Russian relations, Premier said.

Government Sets 1996 Budget Priorities

WS1206121095 Tallinn ETA in English 1750 GMT 9 Jun 95

["News Release"]

[FBIS Transcribed Text] The most essential topic on the agenda at the government's session was the discussion of the budget for 1996, Premier Vahi's counselor Sirje Endre told ETA on Friday.

The priorities of the budget for 1996 were by Financial Minister Opmann the supporting structures for the export of agricultural products, police, border guards, customs, tax department, and teachers' salaries, the information service of the Ministry of Finances told ETA. The expenses for these sectors will either remain the same or increase, press representative of the ministry Aili Ohlau told ETA.

"It is not clear yet how to get money for supporting the priorities," deputy chancellor of the Ministry of Finances Tiit Saat said. However, a decision has been made according to which the control sum of the budget for ministries will be reduced by 3% raising thus the so-called free money, 300 million kroons in total.

The volume of the budget for 1996 will be 10,224 billion kroons, 16.2% more than in 1995. The basic sources of income will be VAT, income tax of individuals and enterprises, excise tax. The major input items will be education and social sphere, like in the previous year. The taxes in total will not increase, yet the role of some specific taxes may change.

The tax-free income will be raised to 500 kroons, that means a loss of approximately 400 million kroons for both the state and local budgets. In order to balance

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the budget, an increase of the excise tax for petrol and alcohol has been designed, deputy chancellor Saat said.

The income tax from individuals will be paid to local budgets 100%, up to now 48% of it was received by local budgets. On the other hand it means, that local governments have to take over the obligations of the state and they cannot get any assistance from the state budget.

The draft of the state budget was first discussed on June 8. The government ordered the ministries to present a detailed version of the budget for the section under their administration within ten days, taking the growth of salaries by 13% and expenses by 14% the basis for the calculation.

The government has to present Riigikogu [parliament] the bill of the budget for 1996 by October 1.

Latvia

Meeting of Baltic Foreign Ministers in Riga

Estonian FM Interviewed

LD1006081695 Tallinn Radio Tallinn Network in Estonian 1700 GMT 9 Jun 95

[FBIS Translated Excerpt] Baltic foreign ministers Riivo Sinijarv, Valdis Birkavs, and Povilas Gylys, met today in Riga. The foreign ministers signed an agreement on visa-free travel. Here is [Estonian] Foreign Minister Riivo Sinijarv on the telephone.

[Begin recording] [Sinijarv] This amounted to quite a substantial step forward in the sense that so far we had been relying on a fairly miserable protocol which left several issues open, and now visa-free travel between our countries has been properly systemitized and clarified in every way. This will help us now to avoid confusion of any kind.

An important aspect here was that we, three countries, clarified between us which other countries' — that is third countries, to be more precise — citizens will also be able to travel around our three countries and how.

[Studio announcer] Is this list a lengthy one?

[Sinijarv] Yes, quite so.

[Announcer] What was the key issue at your meeting besides visa-free travel?

[Sinijarv] The Baltic Council of Ministers is about to become three, and one has to admit with pleasure that it has begun to function fully. The next presidency will be held by Lithuania, from 1 July, for a year. It is very good that we have taken our Baltic cooperation to this structural level so that we not only speak of cooperation but have also a set method for doing so, and for discussing, directing and coordinating it. So that this is definitely very important.

We discussed, and quite specifically, our cooperation methods with the European Union whose association members we will become on Monday when the prime ministers of all three countries sign the European agreement in Luxembourg. We also agreed that in the future we would exchange information and agree about our integration into the EU.

In connection with the agreements we signed today we discussed also the future development of visa-free travel as a whole, predominantly into Europe. I am pleased to note that all other Baltic foreign ministers were of the same opinion that in order to develop visa-free travel further with European countries we should make the controls on our Baltic countries' eastern border more effective.

Cooperation between the Baltic and Nordic states has also begun to function effectively. The proof of this are these meetings which are called three plus five, and they are also now taking place at very varied levels. So that I think that this is very important because the Nordic countries have shown great support to our integration into Europe.

And the last aspect I would like to emphasize is that we discussed relations with Russia, Belarus and the Ukraine. We all voiced satisfaction that ex-USSR troops have left [as heard]: This makes our relations much better and calmer. In particular, the importance of the Ukraine was highlighted as well as the importance of the Ukrainian reforms and democratic development, for the stability in our region, and we all were jointly convinced that the Ukraine's admittance as a member of the Council of Europe is not a matter for some distant future.

[Announcer] Can one conclude from this that the priority for the three Baltic states in their relations with the three Slav states goes to the Ukraine?

[Sinijarv] No, this is not quite so; I believe that they all are important to us because they are our neighbors. [passage omitted]

[Announcer] Was there also talk of illegal immigrants, and how one is to cope with them within the borders of the Baltic states?

[Sinisjarv] Yes, this was discussed. It is one of the issues we have to work on. There is some hope that the prime ministers, for example, might sign an agreement on accepting the return [of immigrants], presumably a day before the three plus five meeting [as heard].

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[Announcer] The next three plus five meeting will take place on 1 July, is that right?

[Sinijarv] Yes. [end recording]

Ministers Agree on Visa-Free Movement

LD0906162095 Tallinn Estonian Television Network in Russian 1545 GMT 9 Jun 95

[FBIS Translated Text] A meeting of Estonian, Latvian, and Lithuanian foreign ministers took place in Riga today. In the course of the meeting, an agreement was signed ensuring visa-free movement to citizens of the Baltic states within the Baltic region. In practice, this regime already exists, but the agreement introduces a few clarifications and amendments, as Mari-Ann Kelam, the Foreign Ministry's press secretary said.

Other subjects discussed at the meeting were integration of the Baltic states into European structures, the three countries' foreign policy coordination, illegal immigration problems, and various consular issues.

Foreign Ministers Sign Agreements

LD0906161095 Riga Radio Riga Network in Latvian 1300 GMT 9 Jun 95

[FBIS Translated Text] At the meeting of the three Baltic countries' foreign ministers that began in Riga, the ministers have signed agreements on the arrangements for introducing a visa-free regime between them; the Latvian and Lithuanian ministers have also signed agreements on border crossings and on cooperation in checking at them.

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